DOCUMENT RESUME

ED 316 590 UD 026 582

TITLE	Up from Dependency: A New National Public Assistance Strategy. Supplement 1: The National Public Assistance System. Volume 3: A Compendium of Public Assistance Programs; Major Federal Health, Service, Employment, and Education Programs, Other Federal and State Programs.
INSTITUTION	Interagency Low Income Opportunity Advisory Board, Washington, DC.
PUB DATE	Sep 87
NOTE	457p.; For other volumes in this series, see UD 026 579-584 and UD 027 261. For the first portion of this compendium, see UD 026 582.
AVAILABLE FROM	Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.
PUB TYPE	Reports - Research/Technical (143)
EDRS PRICE	MF01/PC19 Plus Postage.
DESCRIPTORS	American Indians; Community Programs; Employment Programs; Federal Legislation; *Federal Programs; Federal State Relationship; Government Role; Health Programs; *Low Income; Migrant Programs; *Poverty Programs; Program Descriptions; Public Policy; *Social Services; *State Programs; Student Financial Aid; Supplementary Education; Veterans; Welfare Services
IDENTIFIERS	Medicaid

ABSTRACT

This volume contains the second half of part 1 of a 4-part compendium of information about low income assistance programs plus the remaining 3 parts of the compendium. Part 1 contains detailed information about 59 major federally supported public assistance programs, each of which annually spent over $20 million in fiscal year 1985, and applied a means-test to determine eligibility. Generally the means-test measured income, and sometimes other resources, against a maximum or ceiling. The 59 programs have been grouped into 7 categories, of which the first 3, Cash, Food, and Housing, are described in volume 2 of supplement 1 of this series, while the remaining 4, Health, Services, Employment, and Education make up the bulk of the present document. Descriptions of these major programs all follow essentially the same pattern, beginning with a program summary, going on to cover administration, objectives, eligibility, benefits and services, program linkage and overlap, and legislative environment, and ending with a series of data tables. Part 2 contains summary descriptions of 31 other federally supported grant programs, including some smaller means-tested programs and other grants programs that ordinarily do not require that recipients pass a means-test, but in some way target funds for areas or population groups regarded as low income. Part 3 contains summary descriptions of 11 loan programs targeted for low income people. Part 4 consists of an introduction and a table displaying data submitted voluntarily by 33 states, the District of Columbia, and the Commonwealth of Puerto Rico, about low income assistance spending not associated with federal matching funds. (BJV)

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UP FROM DEPENDENCY

A New National Public Assistance Strategy

SUPPLEMENT 1

THE NATIONAL PUBLIC ASSISTANCE SYSTEM

[illegible] PROGRAMS

Executive Office of the President

[illegible] Board

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VOLUMES IN THE SERIES

Up From Dependency - A New National Public Assistance Strategy, Report to the President by the Domestic Policy Council, Low Income Opportunity Working Group (December 1986)

Supplement 1: The National Public Assistance System

- Volume 1: An Overview of the Current System (December 1986)
- Volume 2: A Compendium of Public Assistance Programs - Major Federal Cash, Food, and Housing Programs (September 1987)
- Volume 3: A Compendium of Public Assistance Programs - Major Federal Health, Service, Employment, and Education Programs; Other Federal Low Income Grant Programs; Federal Low Income Loan Programs; Expenditures By State and Local Low Income Assistance Programs (September 1987)

Supplement 2: Experiments in Reform (Planned)

Supplement 3: A Self-Help Catalog (December 1986)

Supplement 4: Research Studies and Bibliography (Planned)

Supplement 5: The Dilemma of Dependency (Planned)

Note: Other Supplements are being planned.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

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MEDICAID

I. PROGRAM SUMMARY

The federal government provides open-ended matching payments to states to cover part of the cost of medical services for low income persons who are aged, blind, or disabled and for families with dependent children. These grants to states for medical assistance, known as Medicaid, operate within broad federal guidelines. Each state designs and administers its own program with considerable latitude to set policies regarding eligibility, benefits, and payments to providers of services. Local agencies may be responsible for eligibility determinations and other casework duties, but their role varies considerably from state to state.

In FY 1985, Medicaid provided services for about 21.8 million persons at a total cost of about $41.3 billion. The federal share of these costs (about 54 percent of the national total) is determined on a state-by-state basis using a variable matching formula. In general, the federal share is lower for states with higher per capita incomes and higher for states with lower per capita incomes. The statute establishes a minimum federal share of 50 percent and, with a few exceptions, a maximum of 83 percent.

States must provide Medicaid to all persons receiving Aid to Families with Dependent Children (AFDC), to most individuals and couples receiving Supplemental Security Income (SSI), and to certain low income pregnant women and children. States may also provide Medicaid to the medically needy, that is, to persons who, but for income or resources that exceed AFDC or SSI limits would be eligible for cash aid, and who are unable to pay for incurred medical expenses. And legislation in recent years has permitted states to make other groups of women and children eligible for Medicaid under some limited circumstances.

Mandatory services provided by all states include -- with some limitations -- inpatient and outpatient hospital care, laboratory and X-ray services, skilled nursing facility (SNF) care for persons over age 20, preventive care for persons under age 21, family planning services other than abortion, physicians services, rural health clinic services, home health services and nurse mid-wife services. States may also provide other benefits such as intermediate care facility (ICF) services and prescription drugs.

Payments for long-term care in institutions represent a large and increasing part of Medicaid. In FY 1985, for example, only 7 percent of all persons eligible for Medicaid received SNF or ICF services. Their care, however, accounted for 43.5 percent of total Medicaid expenditures. In contrast, children, their caretaker relatives, and pregnant women comprised 76 percent of Medicaid recipients in FY 1985, but their services accounted for only 27 percent of Medicaid costs.

II. ADMINISTRATION

A. Program name: Medicaid.

B. Catalog of Federal Domestic Assistance No.: 13.714
Budget account number(s): 75-0512-0-1-551.

C. Current authorizing statute: 42 U.S.C. 1396-1396q, Subchapter XIX, Chapter 7.

D. Location of program regulations in the Code of Federal Regulations: Chapter IV, Title 42: Chapter III, Title 45, and Chapter III, Title 20.

E. Federal administering agency: Health Care Financing Administration, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: States; U.S. territories including Puerto Rico, Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

G. Subgrantee (if any) receiving program funds to provide benefits: Counties; cities; tribal organizations; private nonprofit organizations; private for-profit organizations; and individual providers of medical or remedial care, e.g., physicians and dentists.

H. Allocation of federal funds.

The federal government provides open-ended matching payments to states to cover part of the cost of medical services for low income children, their caretaker relatives, aged, blind and disabled persons. Federal matching rates to states for program expenditures (i.e. payments to providers of medical care to Medicaid eligibles) are different for each state and are determined by the following formula:

$$\text{State share} = \frac{\text{The square of state per capita income, times .45}}{\text{The square of national per capita income}}$$

The minimum federal share is 50 percent, the maximum is 83 percent, except that the match for family planning services is always 90 percent.

Administrative spending, also open-ended, is matched at 50 percent with the following exceptions: compensation and training of skilled medical personnel (75 percent), Medicaid management information systems (90 percent for development and 75 percent for operations), fraud control units (90 percent for the first three years and 75 percent thereafter), and administrative costs associated with family planning (90 percent).

I. Role of state and local governments in administering the program.

States administer Medicaid within broad federal guidelines. Beyond a core of federal program requirements, states have considerable latitude to set policy regarding eligibility, types and range of medical benefits, and payment levels for providers of services. States are responsible for determining recipient eligibility and paying the claims of participating Medicaid providers, as appropriate. States are also responsible for assuring that medical care provided to Medicaid recipients is quality care.

States may, at their option, contract with other entities to perform many of these functions. Local governments may be responsible for eligibility and other casework duties, but their role varies considerably from state to state. Similarly, the state may contract some or all of the processing of provider claims to a fiscal agent.

J. Audit or quality control.

There are two Medicaid systems for assuring administrative efficiency.

Medicaid Eligibility Quality Control (MEQC)

MEQC programs measure states' error rates. States may spend no more than 3 percent of Medicaid program expenditures for cases mistakenly made eligible for Medicaid without a disallowance of federal funds above this 3 percent target. In FY 1985, the national error rate was 2.7 percent, representing approximately $400 million in misspent payments.

States may appeal disallowance findings. Actual disallowances will not be taken until final decisions are made on those appeals. Estimated disallowance amounts for all states for FY 1981 through FY 1985, before appeals is $127 million.

System Performance Review (SPR)

Enhanced Medicaid funding is provided to states for the design, development, implementation, and operation of Medicaid Management Information Systems (MMIS). The SPR provides standards for use in reapproving or disapproving states' MMISs.

Although there is no program error rate for SPR, nor dollar amount of overpayments or underpayments, there is a penalty for poor performance. The law requires incremental reductions in the rate at which state MMIS operations are matched by the federal government when standards and, as a result, reapproval conditions are not met.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The purpose of Medicaid, as stated in Section 1901 of the Social Security Act, is to enable each state, as far as practicable under the conditions in each state, to furnish:

- Medical assistance on behalf of families with dependent children and of aged, blind, and disabled individuals whose income and resources are insufficient to meet the costs of necessary medical services;
- Rehabilitation and other services to help such families and individuals attain or retain capability for independence and self-care.

Medicaid pays bills incurred by eligible individuals who use covered services falling into these general categories: acute hospital care, ambulatory medical services, and long-term institutional care.

B. Allocation of program funds among various activities.

Funds are not explicitly allocated among these services. Inpatient hospital services account for 28.4 percent of total program expenditures, ambulatory services account for 28.1 percent, and institutional long-term care for 43.5 percent.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Medicaid benefits are authorized for certain families with dependent children and aged, blind, or disabled individuals and couples. (A comprehensive and detailed description of Medicaid eligibility groups appears at the end of the Medicaid section.)

States must provide Medicaid to families receiving Aid to Families with Dependent Children (AFDC) benefits, to individuals and couples receiving a Supplemental Security Income (SSI) payment (except that some states require that the recipient make application with the state directly and other states require a separate application and apply more restrictive eligibility tests on SSI recipients), and to certain low income pregnant women and children.

States may provide Medicaid to groups such as the medically needy -- those with income or resources above the AFDC or SSI limits, but who are unable to pay for medical expenses and meet other categorical eligibility criteria.

Recipient counts by category for FY 1985 were (in thousands):

-aged (65 or older)	3,065
-blind	80
-disabled	2,936
-children	9,751
-caretaker relatives	5,519
-other	1,211

B. Income eligibility standards.

The Medicaid statute does not prescribe a single income limit for all beneficiaries. Instead, eligibility is tied to each state's AFDC program and, to the federal SSI program. Thus, the limits vary by state and by eligibility category.

Benefits may go to persons or families with incomes above AFDC or SSI limits under certain circumstances. The largest such categories are the medically needy, certain recipients of long-term care services, children, pregnant women, and elderly or disabled persons with incomes below federal poverty guidelines, and former AFDC recipients who became ineligible due to earnings.

States may set ceilings for the medically needy -- those with too much income to qualify for AFDC or SSI but not enough to cover medical bills -- at levels not to exceed 133 1/3 percent of the state's maximum AFDC payment for a family of the same size. Rather than being an absolute cut-off point, this is the level to which individuals or families must spend down, as described below.

States may also establish special eligibility ceilings for people residing in institutions (e.g., skilled nursing facilities). These may not exceed 300 percent of the full SSI payment level. With the 1987 SSI level at $340 per month, states may set their special income limits for the institutionalized as high as $1,020.

The Medicaid statute does not prescribe a single set of rules regarding disregards of earned income. Instead states are required to use the rules of AFDC or, with some exceptions described below, those of the SSI program. Changes to AFDC or SSI would carry over into Medicaid, both for recipients of cash plus medical benefits as well as for recipients of Medicaid only.

Thirty-six states apply the SSI disregards to the aged, blind, and disabled, including recipients of Medicaid only. The remaining 14 states use a variety of more restrictive, state-specific rules for all aged, blind, and disabled persons, both those receiving SSI and those applying for Medicaid only.

AFDC disregards are applied to AFDC-Medicaid recipients as well as to other families with dependent children and related groups applying for Medicaid only.

In the AFDC program, under some circumstances, the first $30 of monthly earned income plus one-third of the remainder are disregarded in determining the amount of the AFDC payment. This disregard is applied after eligibility for AFDC is established. This one-third disregard is available in AFDC for one consecutive four month period only. Families with high earnings may stop receiving AFDC payments once the four months are up and all their earned income is counted. Those so affected may continue to be eligible for Medicaid for up to nine months after they lose AFDC, plus six additional months at the state's option. (Under some circumstances, families who otherwise become ineligible for AFDC due to increased earnings, rather than expiration of the disregard, may remain eligible for Medicaid for four additional months.)

As is the case with earned income disregards, the treatment of unearned income by the AFDC program for families with children, and by SSI for the aged, blind, and disabled in most states, determines Medicaid eligibility.

As is the case for income limits, assets limits in Medicaid are generally those of AFDC ($1,000 per family) or SSI ($1,800 for an individual, $2,700 for a couple). States must employ a single limit on the assets of medically needy recipients. The limit may be higher than SSI or AFDC.

These income and asset limits are absolute. The possession of any amount in excess of the applicable limit causes ineligibility. Eligibility can be obtained at a later date when the resources no longer exceed the allowable amount.

Medically Needy

States may provide Medicaid to certain groups (children, their caretaker relatives, the aged, the blind, or the disabled) who would otherwise qualify for Medicaid in the state except that they have too much income or resources. States may cover any or all of these categories as medically needy, but if they cover any medically needy groups at all, they must at least cover certain pregnant women and children under 18 under their medically needy programs.

The resources of the medically needy must be within allowable limits. As explained above, states may set these limits higher for the medically needy than the limits on resources of the AFDC or SSI programs. Resources in excess of the state-defined limits cause ineligibility.

If a medically needy applicant has countable income at or below allowable limits, Medicaid eligibility may be established on the date of application. If income is above allowable limits, a process known as spend-down occurs. Individuals or families with any amount of gross income may be able to qualify if their medical expenses are high enough so that they spend down their income by incurring medical expenses to reach the allowable maximum.

Under the spend-down, applicants receive no benefits until they have incurred medical bills that are at least equal to the amount by which their countable incomes exceed the limits described in above. Medicaid pays subsequent bills if they are for services covered under the state's plan and to the extent that they are not covered by a third party.

Spend-down is a recurring process. The state selects a medically needy budgeting period of from one to six months. An applicant who meets spend-down requirements is eligible for benefits only until the end of the current budget period. Eligibility in a subsequent period can only be achieved by spending-down again.

In FY 1985, Medicaid served nearly 3.5 million medically needy recipients at a cost to the federal and state governments of $10.3 billion. Medically needy recipients comprised 15.7 percent of all recipients and accounted for 27.6 percent of total Medicaid costs.

Recipients of increased Social Security payments

States must continue to provide Medicaid to former recipients of AFDC or SSI who would qualify for those benefits currently if the total amount of Social Security cost-of-living adjustments (COLAs) received since 1977 were deducted from their current total income.

Similar protection is afforded to widows and widowers who lost SSI benefits when their Social Security benefits rose due to a change in the actuarial formula for computing widows' and widowers' benefits, as well as to disabled adult children receiving Social Security based on their parents' work record.

Congress protected the Medicaid eligibility of individuals in these circumstances to assure that improvements in Social Security benefits would not cause a net deterioration in total benefits received by current recipients of federally funded programs.

Special income limits for persons in medical institutions

States may extend Medicaid to persons residing in medical institutions whose gross incomes do not exceed 300 percent of the current full benefit rate under SSI and whose not countable income is within a special income standard set by the state. In 1985, this option enabled 21 states without a medically needy program for the aged, blind, or disabled to assist approximately

408,700 persons to pay the high cost of long-term institutional care.

Once eligible, these individuals are presumed to use what income they have, minus certain amounts that they may retain for specified personal uses, to pay for the cost of their care. Medicaid pays only the remainder, up to the Medicaid payment rate for such care, plus other medical services used by the individual and covered under the state's plan.

Special income limits for persons receiving home-based care in lieu of institutional care

Under a special waiver authority, states may provide a variety of otherwise noncovered home and community based services. Recipients in these programs are individuals living in the community who would otherwise require the level of care normally provided in a skilled nursing facility (SNF) or intermediate care facility (ICF). The state may apply the same, higher limits on gross income for recipients of such services as it applies to its institutionalized recipients.

Individuals who establish eligibility under such higher income limits are required to share in the cost of their care to the extent that their incomes exceed SSI income limits.

To gain federal approval of such projects, states must provide assurances relating to beneficiary protection, financial accountability, data collection, evaluation, and cost effectiveness.

C. Other eligibility requirements.

There are no job search or work requirements specific to Medicaid. The imposition of such requirements under the AFDC or SSI programs may indirectly affect Medicaid in that persons who lose their eligibility for cash benefits (whether through failure to comply or through success in obtaining a job) may also lose their automatic eligibility for Medicaid.

Assignment of rights to third party payments

As a condition of eligibility, all applicants must assign any right they may have to third party payments for their medical care (e.g., medical insurance benefits) to the state. Because Medicaid is the payor of last resort, this requirement helps assure that other sources of payment are tapped first.

Absent parents

As in the AFDC program, families with children applying for Medicaid only (e.g., as medically needy) must cooperate with the state in determining the children's paternity and in establishing whether the absent parent has any insurance or other source of medical support that may be available to pay the children's medical expenses.

Persons who give away their assets

Otherwise eligible persons may be barred from Medicaid if they have given away or otherwise disposed of assets for less than fair market value. States may, at their option, consider transfers that occurred up to two years before a person applies for Medicaid and count the uncompensated value of such assets as if the person still had those assets. States may presume that the transfer took place for the purpose of establishing Medicaid eligibility, although individuals are allowed to rebut that presumption.

States may also deny eligibility to institutionalized persons who transferred ownership of their homes without receiving adequate compensation. Their period of ineligibility depends on the uncompensated value of the property, compared to the number of months of institutional care that the person could have paid for had he or she sold the home for full market value and used the proceeds to pay for care.

Residents of certain public institutions

Medicaid benefits are not payable to inmates of such public institutions as detention centers, jails, or prisons.

Also excluded are people aged 22-64 who reside in public institutions for the treatment of mental disease.

Before Medicaid was enacted, states were responsible for the medical care of these two groups. Their exclusion from Medicaid continues the states' traditional responsibilities.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Most categories of Medicaid eligibles receive benefits without having to pay out-of-pocket more than nominal, state-established amounts in copayments each time they use certain services. By contrast, the major groups that may be required to pay substantial amounts out-of-pocket for their care are the medically needy and persons needing long-term care.

At the state's option, additional cost sharing requirements may be imposed on eligible persons. For example, a state may impose copayments -- specified amounts, usually nominal, that the recipient pays each time he uses a specified service. These requirements do not depend on the recipient's income. Moreover, the recipient's failure to pay does not affect eligibility, and service providers may not refuse to serve those unable to pay.

V. BENEFITS AND SERVICES

A. Program intake processes.

Social Security District Offices

In 30 states, an application for SSI, taken at the Social Security District Office, constitutes an application for Medicaid.

State or local welfare office

With the exception of SSI applicants as noted above, all applications for Medicaid must be made through the state or local welfare office that, in most cases, also handles AFDC applications. An application for AFDC constitutes an application for Medicaid in all states. All other persons must file an application specifically for Medicaid.

Informal intake or referrals

Low income persons may be referred or assisted in applying for Medicaid by the following kinds of organizations:

- Hospitals, nursing homes, or other providers;
- Social services agencies;
- Voluntary agencies responsible for refugee resettlement;
- Advocacy groups.

B. Program benefits or services.

Medicaid pays bills incurred by eligible individuals who use covered services falling into these general categories: acute hospital care, ambulatory medical services, and long-term institutional care.

States pay health care providers for services rendered to eligible individuals. Only in rare circumstances does the state make a payment directly to recipients to reimburse them for out-of-pocket expenditures.

Mandatory services provided by all states include the following:

- Inpatient hospital -- services furnished in a hospital for the care and treatment of patients with disorders other than tuberculosis or mental diseases;

- Outpatient hospital -- preventive, diagnostic, therapeutic, rehabilitative, or palliative services provided in a hospital on an outpatient basis;
- Rural health clinic -- certified clinics in rural areas staffed primarily by nurse practitioners or physician's assistants who provide services under the medical supervision of a physician;
- Other laboratory and X-ray -- professional and technical services provided under the direction of a physician in qualifying locations;
- Certain skilled nursing facilities -- skilled nursing services needed and provided on a daily basis to persons age 21 or older in an inpatient facility that is not an institution for the treatment of tuberculosis or mental diseases;
- Certain preventive care for children -- early and periodic screening, diagnosis to determine physical and mental defects, and treatment to correct or ameliorate any conditions so discovered;
- Family planning -- services and supplies (other than abortion) to enable individuals to determine the number and spacing of their children;
- Physicians services -- services provided by or under the supervision of a licensed practitioner of medicine or osteopathy, whether the service is provided in the office or elsewhere;
- Home health services;
- Nurse mid-wife services.

The major services provided at the state's option include:

- Prescription drugs;
- Intermediate care (nursing) facilities, including such facilities for the mentally retarded;
- Certain therapies (physical, speech, rehabilitation);
- Dental care.

All states have elected to cover intermediate care facilities. All but two cover drugs. Coverage of other optional services varies widely among the states.

Benefits are covered on an as-needed, as-used basis. In certain circumstances, states rely on organizations like health maintenance organizations (HMOs) or on providers of case management services to assure that recipients in their charge obtain the services appropriate to their needs. However, in these arrangements, as in the remainder of the program, the principal factor in determining the amount of benefits a person receives is the person's medical condition or need for services.

C. Duration of benefits.

States may impose limits on the amount, duration, and scope of the services that an individual may use and have reimbursed by Medicaid. The most common limitation is that particular, state-selected services are reimbursed only if they were authorized by the state before being delivered. States may also limit reimbursement to a certain number of units of a particular service, for example, a specified number of physician visits or hospital days per year.

States do not report person-based expenditure data, so it is not possible to compute the median benefit or the distribution of benefits.

Average benefits for major categories of Medicaid eligibles in FY 1985 were as follows (preliminary data, includes federal and state shares):

- $2,093 -- Recipients of an SSI payment;
- $608 -- Recipients of AFDC;
- $8,339 -- Medically needy aged, blind, and disabled;
- $687 -- Medically needy families with children.

High averages for aged, blind, and disabled Medicaid recipients are explained in large part by the heavy use of institutional long-term care by these groups, especially the medically needy. In FY 1985, only 7 percent of all Medicaid recipients received Skilled Nursing Facility (SNF) or Intermediate Care Facility (ICF) services. These services, however, accounted for 43.5 percent of total Medicaid expenditures.

Residents of intermediate care facilities for the mentally retarded (ICF or MR) are an important subset of aged, blind, and disabled Medicaid recipients of long-term institutional care. In FY 1985, 0.7 percent of all Medicaid recipients received Medicaid coverage of ICF or MR benefits. These benefits accounted for 12.6 percent of total expenditures.

For the aged, blind, and disabled who use Medicaid-covered ambulatory services and acute hospital care services and who are also entitled to Medicare, Medicaid benefits are residual, covering only services or expenses which Medicare does not cover.

Other Medicaid recipients -- children, their caretaker relatives, and pregnant women -- rely on Medicaid primarily to pay for ambulatory care and acute hospital care. While these groups comprised 75.6 percent of total Medicaid recipients in FY 1985, expenditures on their behalf amounted to 26.6 percent of total expenditures.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Thirty-six states provide Medicaid to all recipients of an SSI payment. In 31 of these states the receipt of an SSI payment leads automatically and simultaneously to eligibility for Medicaid. In five of the 36 states, SSI applicants are required to file a separate application for Medicaid with the state.

In the remaining 14 states, SSI recipients are required to meet eligibility requirements for Medicaid that are more restrictive than those of SSI. These 14 states have elected to continue to use some of the criteria that the state used for Medicaid before the enactment of the SSI program.

In all states, all recipients of an AFDC payment or of a federally subsidized adoption assistance or foster care payment are automatically eligible for Medicaid. In certain cases, children under such arrangements may be deemed to be eligible for Medicaid even though they do not receive a federally assisted cash payment.

At state option, Medicaid may be provided automatically to children with special needs who have been adopted under an adoption agreement arranged between the adoptive parents and a state-only adoption program.

AFDC recipients account for 57.2 percent of total Medicaid recipients and SSI recipients account for 18.5 percent. Data are not available for the other groups.

B. Counting assistance from other programs.

There are no effects on Medicaid assistance levels or eligibility due to changes in the amount of benefits received from other assistance programs authorized in the Social Security Act. In addition, assistance from other programs that is excluded for SSI on AFDC is also excluded for Medicaid. Assistance in meeting medical needs may reduce the level of benefits under Medicaid as described below.

C. Overlapping authorities and benefits.

Many other programs fund medical services to individuals and therefore potentially overlap with Medicaid, most notably Medicare, Veterans Administration, CHAMPUS, service delivery programs administered by the Public Health Service, and state and local public health and indigent care programs.

Though Medicaid and these programs may overlap in population served and services covered, Medicaid is the payor of last resort, paying only those bills for eligible recipients that are not payable from any other source of funds. States can assume that Medicaid recipients who are also eligible for Medicare actually get full Medicare benefits by paying the amounts that Medicare beneficiaries must normally pay out-of-pocket.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Finance
    Subcommittee on Health

House of Representatives

Committee on Energy and Commerce
    Subcommittee on Health and the Environment

Committee on Ways and Means
    Subcommittee on Public Assistance and Unemployment Compensation (Medicaid eligibility policy arising from linkage to AFDC and SSI)

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees in the Senate and the House of Representatives holding hearings on this program within the past two years.

Senate

Labor and Human Resources Committee
Subcommittee on Employment and Productivity

Labor and Human Resources Committee
Subcommittee on Family, Drugs, and Alcoholism

Special Committee on Aging

House of Representatives

Select Committee on Children, Youth, and Families.

Select Committee on Aging, Human Services Subcommittee.

Joint Economic Committee
Subcommittee on Economic Goals and Intergovernmental Policy

D. Federal legislation.

Listed below are major pieces of legislation amending the Medicaid statute and affecting Medicaid eligibility issues. Amendments to other legislation (e.g. AFDC or SSI statutes), though affecting Medicaid eligibility, are not included.

1960 amendment to Title I, Old Age Assistance (Kerr-Mills) -- Provided federal matching for medical vendor payments made by states on behalf of public assistance recipients age 65 or older; optional new program for payments on behalf of medically needy elderly.

1965 Social Security Amendments, Title XIX grants to states for medical assistance -- Established the Medicaid program as a state-administered program to provide medical assistance to indigent aged, blind, disabled, dependent children and their caretaker relatives; receipt of federal matching conditional on the state providing five basic services.

1967 Social Security Amendments -- Established limits on federal Medicaid matching by a formula based on state per capita income; set nursing home standards for Medicaid recipients; authorized imposition of cost sharing for hospital care; authorized fourteen services, from which a state could select seven to provide to the medically needy.

1971 Social Security Amendments -- Provided for intermediate care facilities as an optional Medicaid service.

1972 Social Security Amendments -- Replaced most of state-run cash assistance programs for the aged, blind, and disabled, with the nationally uniform SSI program. (In most states, SSI rules became the eligibility rules for Medicaid for the aged, blind, and disabled.) Provided for the review of utilization of institutional services.

1976 Health Maintenance Organization (HMO) Act -- Defined requirements for reimbursement of HMOs under both Medicaid and Medicare.

1976 Unemployment Compensation Amendments -- Required states to protect Medicaid eligibility for persons who become ineligible for SSI benefits due to a cost-of-living adjustment in Social Security benefits.

1977 Medicare and Medicaid Antifraud and Abuse Amendments -- Strengthened the federal government's capacity to detect, prosecute, and punish fraudulent activities.

1980 Medicare and Medicaid Amendments -- Increased funding to state fraud control units; tightened conditions of provider participation; authorized withholding of federal payments to recover overpayments and disallowed expenditures; set up new requirements for intermediate care facilities (ICFs) and skilled nursing facilities (SNFs); added nurse midwifery as a covered service.

1981 Omnibus Budget Reconciliation Act -- Reduced federal payments to states for FY 1982-1984; increased state flexibility regarding eligibility of the medically needy; permitted waivers of certain requirements (e.g., for states to provide the same coverage throughout the state and to give recipients complete freedom to choose their own health care provider) where a state arranges more cost-effective methods of delivery or financing of care and provides for guarantees of quality and access; expanded flexibility in prepaid provider (e.g., HMO) participation; repealed fiscal penalties imposed for state failure to meet certain reporting and other process requirements in preventive care for children.

1982 Tax Equity and Fiscal Responsibility Act -- Expanded states' authority to impose copayments on Medicaid recipients; permitted states to cover certain disabled children living at home, regardless of parental income; permitted states to impose liens on the property of certain recipients of long-term institutional care or to deny eligibility to persons who transferred property without adequate compensation; required most states to follow the methodologies of AFDC and SSI in determining the eligibility of the medically needy.

1984 Deficit Reduction Act -- Required states to provide Medicaid to certain groups of financially eligible pregnant women and children; required applicants to sign their rights to third party payments as a condition of eligibility; prohibited the imposition of sanctions on states with Medicaid plans not following the methodologies of AFDC or SSI in determining the eligibility of the medically needy.

1985 Consolidated Omnibus Budget Reconciliation Act -- Further expanded mandatory eligibility for pregnant women and children, including children adopted with the assistance of public programs; required states to count as still available certain assets that a Medicaid recipient has sheltered in a trust; required the Secretary to establish a task force to report to Congress on the issue of chronically ill, technology dependent children; revised requirements on how states pursue payments from liable third parties.

1986 Omnibus Budget Reconciliation Act -- Allowed states to cover pregnant women and children in families with incomes between AFDC levels and federal poverty guidelines; similar eligibility expansions for the elderly and disabled except that states are permitted to restrict benefits for these groups to just Medicare cost-sharing amounts; authorizes Medicaid for emergency medical care for undocumented aliens who meet all other Medicaid eligibility requirements; increases state flexibility to provide targeted community-based long-term care to certain groups.

1986 Employment Opportunities for Disabled Americans Act -- Makes permanent the previously temporary authority to provide special SSI cash and/or Medicaid benefits to individuals who would otherwise lose eligibility because they are employed and are performing substantial gainful activity (conforming amendment to Title XIX made by OBRA 86); requires states to continue Medicaid eligibility for persons who lose eligibility for SSI because they start receiving Social Security benefits as an "adult disabled child."

1986 Immigration Reform and Control Act -- Provides full Medicaid benefits to certain children, elderly, and disabled aliens who meet all the usual eligibility requirements and whose alien status is legalized by this Act; authorizes more limited Medicaid benefits for other newly legalized groups such as pregnant women, seasonal agricultural workers, or caretakers of AFDC-like children.

E. Major federal implementing regulations and regulatory changes.

Implementing regulations have strictly followed statutory language. Administrative discretion was exercised in only one major instance -- in the regulations establishing the responsibility of recipients in institutions to contribute to the cost of their care. The regulations are based on Section

1902(a)(17) of the Social Security Act, which gives the Secretary the general authority to establish guidelines for determining the extent of medical assistance. Similar requirements existed in medical assistance programs predating Medicaid.

These rules differ from the spend-down rules affecting Medicaid applicants living outside institutions in the following manner: (1) the recipient is allowed to keep only small amounts (usually $25 per month) from total personal income to use at his or her discretion; (2) amounts of the institutionalized individual's income subject to prescribed limits may be set aside for the maintenance needs of a spouse or children if they have little or no income from other sources; (3) small amounts may be used to maintaining a home for a limited period of time; (4) bills for medical or remedial services not covered by the state's Medicaid program may be paid. Any of the institutionalized individual's remaining income is applied to the cost of care in the institution, thus reducing the amount paid to the institution by Medicaid.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
13.714 MEDICAID

	BENEFITS		ADMINISTRATION		
	Federal	State-local	Federal	State-local	Total
United States	$21,477,081	$17,782,157	$1,201,971	$798,109	$41,259,318
Alabama	$346,649	$132,574	$10,821	$4,906	$494,950
Alaska	$33,558	$30,809	$2,550	$1,989	$68,906
Arizona	$60,715	$35,457	$4,312	$4,132	$104,616
Arkansas	$274,595	$97,692	$11,992	$6,313	$390,592
California	$2,147,156	$2,130,325	$192,433	$92,632	$4,562,546
Colorado	$161,692	$160,050	$10,675	$5,180	$337,597
Connecticut	$288,616	$291,263	$16,922	$11,628	$608,429
Delaware	$35,289	$33,797	$1,788	$1,357	$72,231
D. C.	$153,278	$152,757	$8,502	$6,001	$320,538
Florida	$556,965	$398,533	$20,297	$14,704	$990,499
Georgia	$517,516	$249,644	$16,239	$15,417	$798,816
Hawaii	$69,291	$72,087	$5,502	$3,365	$150,245
Idaho	$50,501	$24,364	$3,054	$1,636	$79,555
Illinois	$868,536	$851,245	$33,921	$23,591	$1,777,293
Indiana	$442,502	$293,646	$16,679	$10,312	$763,139
Iowa	$200,601	$160,692	$8,538	$5,331	$375,162
Kansas	$133,152	$128,056	$7,211	$4,840	$273,259
Kentucky	$392,329	$162,067	$15,638	$7,523	$577,557
Louisiana	$475,231	$263,469	$15,328	$10,524	$764,552
Maine	$174,847	$72,334	$7,441	$4,900	$259,522
Maryland	$309,065	$303,578	$19,515	$14,756	$646,914
Massachusetts	$790,525	$808,657	$33,289	$32,930	$1,665,401
Michigan	$859,460	$826,056	$46,288	$31,844	$1,763,648
Minnesota	$534,611	$477,223	$20,860	$19,190	$1,051,884
Mississippi	$231,083	$65,655	$6,345	$3,626	$306,709
Missouri	$349,653	$206,458	$11,395	$8,919	$576,425
Montana	$63,275	$34,549	$4,946	$2,525	$105,295
Nebraska	$96,311	$71,862	$6,254	$3,993	$178,420
Nevada	$33,475	$33,250	$3,095	$2,589	$72,409
New Hampshire	$70,192	$48,195	$5,326	$3,386	$127,099
New Jersey	$585,473	$580,018	$43,624	$24,586	$1,233,701
New Mexico	$106,381	$47,009	$5,369	$3,002	$161,761
New York	$3,780,739	$4,083,439	$241,626	$170,106	$8,275,910
N. Carolina	$450,837	$196,070	$19,751	$16,317	$682,975
N. Dakota	$70,994	$44,027	$3,775	$2,702	$121,498
Ohio	$974,492	$779,542	$34,635	$25,976	$1,814,645
Oklahoma	$274,339	$193,530	$20,345	$16,411	$504,625
Oregon	$146,110	$106,478	$19,350	$14,388	$286,326
Pennsylvania	$1,071,133	$837,244	$62,964	$45,447	$2,016,788
Rhode Island	$147,655	$111,663	$3,941	$3,512	$266,771
S. Carolina	$261,345	$94,596	$14,182	$8,839	$378,962
S. Dakota	$65,267	$29,292	$1,588	$950	$97,097
Tennessee	$435,091	$178,950	$21,906	$10,489	$646,436
Texas	$804,281	$671,091	$67,159	$40,842	$1,583,373
Utah	$101,139	$41,469	$8,395	$4,915	$155,918
Vermont	$61,503	$27,059	$5,419	$2,985	$96,966
Virginia	$316,204	$241,600	$12,718	$9,321	$579,843
Washington	$310,893	$309,218	$17,941	$12,598	$650,650
W. Virginia	$126,824	$52,699	$7,028	$4,284	$190,835
Wisconsin	$586,474	$441,076	$18,561	$16,000	$1,062,111
Wyoming	$14,136	$14,019	$631	$576	$29,362
Guam	$1,704	$1,704	$189	$156	$3,753
Puerto Rico	$60,023	$79,215	$3,377	$3,376	$145,991
Virgin Islands	$1,806	$2,344	$294	$259	$4,703

Data/Sources: BUREAU OF PROGRAM OPERATIONS, HCFA.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
13.714 MEDICAID

	BENEFITS		ADMINISTRATION		
	Federal	State-local	Federal	State-local	Total
United States	$19,624,803	$16,003,332	$1,073,153	$741,432	$37,442,720
Alabama	$262,792	$100,087	$8,398	$3,620	$374,897
Alaska	$30,025	$26,830	$1,765	$1,473	$60,093
Arizona	$56,443	$33,258	$2,856	$2,855	$95,412
Arkansas	$252,473	$89,960	$8,650	$5,158	$356,241
California	$1,874,399	$1,863,131	$169,394	$118,324	$4,025,248
Colorado	$154,627	$153,572	$10,675	$5,512	$324,386
Connecticut	$271,865	$270,694	$13,719	$10,843	$567,121
Delaware	$34,164	$33,265	$1,629	$1,238	$70,296
D. C.	$144,830	$144,375	$8,782	$6,510	$304,497
Florida	$467,209	$333,130	$18,922	$10,154	$829,415
Georgia	$409,211	$197,029	$19,279	$13,193	$638,712
Hawaii	$69,449	$68,299	$4,626	$2,404	$144,778
Idaho	$45,986	$22,302	$3,001	$1,477	$72,766
Illinois	$868,935	$859,156	$34,144	$24,387	$1,786,622
Indiana	$378,458	$250,716	$15,847	$11,604	$656,625
Iowa	$176,045	$141,077	$6,883	$4,210	$328,215
Kansas	$120,888	$116,256	$6,517	$4,530	$248,191
Kentucky	$357,128	$147,035	$12,914	$8,738	$525,815
Louisiana	$445,041	$243,383	$14,116	$10,209	$712,749
Maine	$151,172	$62,497	$6,293	$4,118	$224,080
Maryland	$302,492	$300,771	$14,979	$12,385	$630,627
Massachusetts	$682,857	$686,138	$23,943	$22,312	$1,415,250
Michigan	$867,205	$833,012	$41,523	$26,737	$1,768,477
Minnesota	$496,671	$444,088	$19,927	$15,482	$976,168
Mississippi	$244,612	$70,000	$5,277	$3,291	$323,180
Missouri	$310,298	$193,587	$9,691	$7,453	$521,029
Montana	$61,172	$33,314	$3,056	$1,911	$99,453
Nebraska	$88,402	$66,015	$5,490	$3,790	$163,697
Nevada	$31,617	$31,495	$2,841	$2,340	$68,293
New Hampshire	$67,228	$46,109	$3,579	$2,398	$119,312
New Jersey	$525,663	$521,057	$40,031	$19,900	$1,106,651
New Mexico	$94,307	$40,531	$4,657	$2,583	$142,078
New York	$3,510,005	$3,503,765	$228,117	$164,098	$7,405,985
N. Carolina	$415,706	$180,799	$19,880	$15,168	$631,533
N. Dakota	$59,881	$37,311	$3,201	$2,196	$102,589
Ohio	$921,470	$729,312	$28,519	$21,257	$1,700,558
Oklahoma	$238,577	$168,897	$20,093	$15,662	$443,229
Oregon	$136,982	$102,159	$18,572	$12,956	$270,669
Pennsylvania	$1,008,496	$786,527	$53,562	$36,903	$1,885,488
Rhode Island	$139,981	$100,398	$3,495	$3,117	$246,991
S. Carolina	$224,844	$80,682	$9,167	$5,591	$320,284
S. Dakota	$61,872	$27,983	$1,676	$1,003	$92,534
Tennessee	$382,388	$157,436	$11,063	$5,564	$556,451
Texas	$780,302	$651,353	$59,381	$37,854	$1,528,890
Utah	$89,240	$36,567	$9,135	$5,205	$140,147
Vermont	$62,237	$27,395	$4,531	$2,597	$96,760
Virginia	$292,562	$223,458	$13,453	$9,597	$539,070
Washington	$242,162	$239,851	$17,802	$11,697	$511,512
W. Virginia	$99,543	$41,448	$5,947	$3,175	$150,113
Wisconsin	$535,831	$403,088	$18,602	$11,688	$969,209
Wyoming	$13,019	$12,870	$530	$479	$26,898
Guam	$1,855	$1,855	$255	$222	$4,187
Puerto Rico	$60,920	$63,808	$2,480	$4,040	$131,248
Virgin Islands	$1,834	$2,099	$266	$195	$4,394

Data Sources: BUREAU OF PROGRAM OPERATIONS, HCFA.

VIII. C. TOTAL FY 85 PROGRAM SPENDING (In thousands)
13.714 MEDICAID (LONG-TERM CARE) (1)

	BENEFITS		
	Federal	State-local	Total
United States	$9,179,928	$7,375,627	$16,555,555
Alabama	$156,017	$60,253	$216,270
Alaska	$13,849	$13,848	$27,697
Arizona	$1,483	$940	$2,423
Arkansas	$137,260	$49,108	$186,368
California	$580,735	$580,736	$1,161,471
Colorado	$74,899	$74,899	$149,798
Connecticut	$170,205	$170,205	$340,410
Delaware	$17,996	$17,996	$35,992
D. C.	$42,260	$42,261	$84,521
Florida	$254,152	$180,965	$435,117
Georgia	$185,638	$89,666	$275,304
Hawaii	$34,241	$33,996	$68,237
Idaho	$29,552	$14,372	$43,924
Illinois	$334,746	$334,746	$669,492
Indiana	$221,574	$148,147	$369,721
Iowa	$91,916	$74,477	$166,393
Kansas	$71,651	$69,756	$141,407
Kentucky	$142,965	$59,192	$202,157
Louisiana	$216,275	$119,296	$335,571
Maine	$85,753	$35,659	$121,412
Maryland	$110,262	$110,261	$220,523
Massachusetts	$343,672	$341,889	$685,561
Michigan	$273,940	$266,376	$540,316
Minnesota	$350,430	$314,902	$665,332
Mississippi	$97,421	$28,074	$125,495
Missouri	$157,730	$99,159	$256,889
Montana	$30,157	$16,664	$46,821
Nebraska	$50,111	$37,603	$87,714
Nevada	$16,835	$16,835	$33,670
New Hampshire	$43,422	$29,617	$73,039
New Jersey	$256,748	$256,747	$513,495
New Mexico	$40,528	$17,879	$58,407
New York	$1,535,370	$1,535,193	$3,070,563
N. Carolina	$226,330	$99,138	$325,468
N. Dakota	$44,908	$28,327	$73,235
Ohio	$442,947	$356,020	$798,967
Oklahoma	$115,109	$81,760	$196,869
Oregon	$74,237	$55,729	$129,966
Pennsylvania	$535,095	$419,750	$954,845
Rhode Island	$79,952	$57,494	$137,446
S. Carolina	$124,297	$44,791	$169,088
S. Dakota	$35,460	$16,450	$51,910
Tennessee	$189,740	$78,786	$268,526
Texas	$398,702	$334,610	$733,312
Utah	$44,376	$18,266	$62,642
Vermont	$29,093	$12,846	$41,939
Virginia	$168,566	$129,623	$298,189
Washington	$141,984	$141,983	$283,967
W. Virginia	$46,907	$19,561	$66,468
Wisconsin	$304,860	$231,205	$536,065
Wyoming	$7,561	$7,561	$15,122
Guam	$11	$10	$21
Puerto Rico	$0	$0	$0
Virgin Islands	$0	$0	$0

Data Sources: BUREAU OF PROGRAM OPERATIONS, HCFA.

(1) Long-term care benefits are also included in Table VIII.A. Administrative costs for long-term care are not available separately.

VIII. D. TOTAL FY 84 PROGRAM SPENDING (In thousands)
13.714 MEDICAID (LONG-TERM CARE) (1)

	BENEFITS Federal	State-local	Total
United States	$8,271,548	$6,571,063	$14,842,611
Alabama	$119,730	$46,239	$165,969
Alaska	$12,146	$12,145	$24,291
Arizona	$0	$0	$0
Arkansas	$128,131	$45,842	$173,973
California	$513,454	$513,455	$1,026,909
Colorado	$70,849	$70,848	$141,697
Connecticut	$150,069	$150,069	$300,138
Delaware	$16,957	$16,956	$33,913
D. C.	$37,771	$37,771	$75,542
Florida	$206,270	$146,872	$353,142
Georgia	$165,988	$80,176	$246,164
Hawaii	$31,610	$31,609	$63,219
Idaho	$25,944	$12,617	$38,561
Illinois	$289,735	$289,735	$579,470
Indiana	$190,540	$127,398	$317,938
Iowa	$86,837	$70,362	$157,199
Kansas	$64,969	$63,251	$128,220
Kentucky	$136,717	$56,605	$193,322
Louisiana	$201,167	$110,962	$312,129
Maine	$81,423	$33,858	$115,281
Maryland	$119,219	$119,218	$238,437
Massachusetts	$298,106	$296,560	$594,666
Michigan	$265,108	$257,788	$522,896
Minnesota	$331,293	$297,704	$628,997
Mississippi	$101,391	$29,218	$130,609
Missouri	$148,820	$93,558	$242,378
Montana	$27,410	$15,144	$42,554
Nebraska	$46,514	$34,904	$81,418
Nevada	$15,573	$15,573	$31,146
New Hampshire	$39,260	$28,024	$67,284
New Jersey	$230,836	$230,836	$461,672
New Mexico	$35,584	$15,697	$51,281
New York	$1,362,257	$1,361,396	$2,723,653
N. Carolina	$208,471	$91,315	$299,786
N. Dakota	$34,737	$21,912	$56,649
Ohio	$334,615	$268,947	$603,562
Oklahoma	$106,351	$75,539	$181,890
Oregon	$43,049	$32,317	$75,366
Pennsylvania	$513,397	$402,729	$916,126
Rhode Island	$74,722	$53,732	$128,454
S. Carolina	$105,933	$38,173	$144,106
S. Dakota	$33,990	$15,768	$49,758
Tennessee	$163,112	$67,729	$230,841
Texas	$386,362	$324,254	$710,616
Utah	$41,248	$16,978	$58,226
Vermont	$25,473	$11,247	$36,720
Virginia	$154,661	$118,930	$273,591
Washington	$111,250	$111,249	$222,499
W. Virginia	$40,983	$17,092	$58,075
Wisconsin	$334,615	$183,860	$518,475
Wyoming	$6,900	$6,901	$13,801
Guam	$1	$1	$2
Puerto Rico	$0	$0	$0
Virgin Islands	$0	$0	$0

Data Sources: BUREAU OF PROGRAM OPERATIONS, HCFA.

(1) Long-term care benefits are also included in Table VIII.B. Administrative costs for long-term care are not available separately.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
13.714 MEDICAID

	All Persons Served (1)	Elderly (2)	Handicapped or Disabled (3)
United States	21,817,458	3,085,880	3,017,067
Alabama	316,159	84,688	70,265
Alaska	22,578	2,295	2,188
Arizona			
Arkansas	197,307	51,498	44,438
California	3,380,660	456,940	517,100
Colorado	147,309	33,965	27,638
Connecticut	217,442	35,491	22,580
Delaware	40,564	4,854	5,200
D. C.	97,805	9,478	14,359
Florida	561,943	112,652	107,722
Georgia	468,887	91,843	103,672
Hawaii	92,238	11,259	8,025
Idaho	38,850	6,115	5,968
Illinois	1,063,367	75,958	127,742
Indiana	283,956	41,332	40,487
Iowa	211,935	29,687	22,430
Kansas	141,707	24,087	19,108
Kentucky	408,243	56,606	72,788
Louisiana	416,171	87,262	70,010
Maine	124,378	20,541	19,110
Maryland	328,809	42,903	38,023
Massachusetts	522,948	104,746	77,300
Michigan	1,133,317	93,216	139,706
Minnesota	357,260	55,773	37,012
Mississippi	299,688	63,787	60,473
Missouri	355,974	63,763	53,769
Montana	47,321	6,412	6,908
Nebraska	93,902	15,491	10,080
Nevada	28,202	5,800	5,087
New Hampshire	37,698	9,418	6,373
New Jersey	581,433	63,493	72,748
New Mexico	87,332	11,775	16,835
New York	2,242,140	341,784	295,078
N. Carolina	343,223	63,445	48,714
N. Dakota	36,674	8,901	4,762
Ohio	1,045,150	96,956	115,211
Oklahoma	269,973	56,415	27,298
Oregon	152,502	20,018	19,213
Pennsylvania	1,071,029	120,953	133,091
Rhode Island	111,814	24,881	19,093
S. Carolina	237,626	45,604	54,538
S. Dakota	33,819	7,871	5,832
Tennessee	362,098	75,398	83,048
Texas	761,338	212,983	112,034
Utah	72,210	7,739	8,332
Vermont	50,385	7,213	7,200
Virginia	302,992	56,335	47,944
Washington	326,395	42,978	44,203
W. Virginia	211,407	24,176	29,547
Wisconsin	473,319	74,635	65,867
Wyoming	19,546	2,880	1,391
Guam			
Puerto Rico	1,571,857	0	69,112
Virgin Islands	16,578	1,377	417

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Based on unduplicated annual count.
(2) 'Elderly' means 65 years or older.
(3) 'Handicapped or Disabled' is defined as inability to engage in substantial gainful acitivity.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
13.714 MEDICAID

	All Persons Served	(1)	Elderly	(2)	Handicapped or Disabled	(3)
United States	21,557,087		3,238,272		2,913,036	
Alabama	315,666		85,484		66,100	
Alaska	24,068		2,440		2,332	
Arizona						
Arkansas	192,854		54,848		43,897	
California	3,395,080		482,840		510,500	
Colorado	155,426		36,365		19,242	
Connecticut	220,090		33,571		21,607	
Delaware	47,253		5,012		4,998	
D. C.	104,336		9,210		13,880	
Florida	572,127		112,539		102,568	
Georgia	439,005		91,527		95,452	
Hawaii	95,413		11,810		7,842	
Idaho	36,550		5,511		5,326	
Illinois	1,046,144		78,363		122,432	
Indiana	271,956		38,099		38,487	
Iowa	200,564		29,292		20,589	
Kansas	146,320		23,808		16,609	
Kentucky	469,337		69,666		87,163	
Louisiana	382,367		87,448		63,861	
Maine	121,843		20,236		17,592	
Maryland	324,071		38,003		35,584	
Massachusetts	484,299		94,385		69,858	
Michigan	1,155,165		87,889		126,531	
Minnesota	340,225		53,912		34,002	
Mississippi	302,437		66,512		58,894	
Missouri	356,753		65,076		51,096	
Montana	46,516		10,193		12,660	
Nebraska	86,432		14,849		9,282	
Nevada	27,435		5,920		4,927	
New Hampshire	39,433		9,258		6,249	
New Jersey	596,937		64,299		71,371	
New Mexico	83,026		11,494		16,035	
New York	2,205,138		361,669		306,001	
N. Carolina	340,499		63,353		47,296	
N. Dakota	33,705		8,567		4,011	
Ohio	1,014,647		94,058		105,790	
Oklahoma	252,450		58,060		25,618	
Oregon	92,816		19,563		17,992	
Pennsylvania	1,059,725		118,253		125,425	
Rhode Island	115,511		25,491		19,549	
S. Carolina	231,394		46,397		52,310	
S. Dakota	32,552		7,772		5,520	
Tennessee	345,302		73,606		79,840	
Texas	715,278		223,121		111,062	
Utah	69,353		6,991		7,326	
Vermont	53,224		7,285		6,808	
Virginia	301,448		54,595		46,166	
Washington	301,254		42,618		41,283	
W. Virginia	185,584		24,069		26,489	
Wisconsin	491,328		74,490		60,787	
Wyoming	15,288		2,764		1,245	
Guam						
Puerto Rico	1,606,989		124,270		65,242	
Virgin Islands	14,454		1,615		310	

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Based on mean unduplicated annual count.
(2) 'Elderly' means 65 years or older.
(3) 'Handicapped or Disabled' is defined as inability to engage in substantial gainful activity.

IX. C. FY 85 RECIPIENT CHARACTERISTICS (1)
13.714 MEDICAID (LONG-TERM CARE)

	All Persons Served	(2)	Elderly	(3)	Handicapped or Disabled	(4)
United States	1,549,653		1,176,159		373,494	
Alabama	26,404		20,938		5,468	
Alaska	886		596		290	
Arizona						
Arkansas	23,599		17,174		6,425	
California	139,880		97,500		42,380	
Colorado	20,960		15,532		5,428	
Connecticut	32,222		27,688		4,534	
Delaware	2,674		1,963		711	
D. C.	3,666		2,504		1,162	
Florida	40,920		33,336		7,584	
Georgia	40,178		30,516		9,662	
Hawaii	4,583		3,771		812	
Idaho	4,664		3,690		974	
Illinois	81,850		48,261		33,589	
Indiana	42,724		30,854		11,870	
Iowa	22,610		18,480		4,130	
Kansas	18,110		13,520		4,590	
Kentucky	26,344		21,249		5,095	
Louisiana	35,332		25,156		10,176	
Maine	10,913		9,257		1,656	
Maryland	28,612		23,776		4,836	
Massachusetts	47,462		39,003		8,459	
Michigan	62,273		49,833		12,440	
Minnesota	53,974		39,248		14,726	
Mississippi	17,360		13,343		4,017	
Missouri	33,824		26,394		7,430	
Montana	5,252		4,036		1,216	
Nebraska	11,198		9,271		1,927	
Nevada	3,234		2,503		731	
New Hampshire	6,440		5,553		887	
New Jersey	36,551		29,085		7,466	
New Mexico	5,010		3,571		1,439	
New York	127,263		100,851		26,412	
N. Carolina	29,966		24,150		5,816	
N. Dakota	7,347		5,681		1,666	
Ohio	73,958		53,718		20,240	
Oklahoma	25,187		19,118		6,069	
Oregon	14,037		10,511		3,526	
Pennsylvania	86,225		69,246		16,979	
Rhode Island	10,149		7,349		2,800	
S. Carolina	15,216		10,534		4,682	
S. Dakota	6,207		4,903		1,304	
Tennessee	34,580		27,505		7,075	
Texas	92,299		71,897		20,402	
Utah	7,454		4,767		2,687	
Vermont	3,661		3,034		627	
Virginia	23,953		18,047		5,906	
Washington	26,314		19,817		6,497	
W. Virginia	7,846		6,648		1,198	
Wisconsin	66,100		48,794		17,306	
Wyoming	2,182		1,990		192	
Guam						
Puerto Rico	0		0		0	
Virgin Islands	0		0		0	

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Recipients of long-term care also are included on Table IX.A.
(2) Based on unduplicated annual count.
(3) 'Elderly' means 65 years or older.
(4) 'Handicapped or Disabled' is defined as inability to engage in substantial gainful acitivity.

IX. D. FY 84 RECIPIENT CHARACTERISTICS (1)
13.714 MEDICAID (LONG-TERM CARE)

		All Persons Served	(2)	Elderly	(3)	Handicapped or Disabled	(4)
United States		1,537,092		1,168,157		368,935	
Alabama		26,018		20,694		5,324	
Alaska		867		514		353	
Arizona							
Arkansas		24,997		18,177		6,820	
California		158,680		117,020		41,660	
Colorado		19,198		15,067		4,131	
Connecticut		23,750		19,724		4,026	
Delaware		2,878		2,052		826	
D. C.		3,255		2,183		1,072	
Florida		34,626		28,281		6,345	
Georgia		39,772		30,432		9,340	
Hawaii		4,997		4,041		956	
Idaho		4,352		3,380		972	
Illinois		89,823		54,030		35,793	
Indiana		39,238		27,902		11,336	
Iowa		22,056		18,076		3,980	
Kansas		18,107		13,550		4,557	
Kentucky		30,271		24,248		6,023	
Louisiana		33,763		24,065		9,698	
Maine		10,868		9,065		1,803	
Maryland		18,225		16,125		2,100	
Massachusetts		45,770		37,361		8,409	
Michigan		61,083		48,592		12,491	
Minnesota		54,131		39,407		14,724	
Mississippi		17,449		13,628		3,821	
Missouri		30,582		24,326		6,256	
Montana		6,787		5,267		1,520	
Nebraska		11,029		9,001		2,028	
Nevada		3,179		2,465		714	
New Hampshire		6,077		5,213		864	
New Jersey		39,250		29,573		9,677	
New Mexico		4,587		3,297		1,290	
New York		129,391		101,913		27,478	
N. Carolina		29,611		24,055		5,556	
N. Dakota		6,501		5,214		1,287	
Ohio		71,470		51,284		20,186	
Oklahoma		24,101		18,812		5,289	
Oregon		13,695		10,201		3,494	
Pennsylvania		83,389		67,494		15,895	
Rhode Island		10,416		7,554		2,862	
S. Carolina		15,363		10,562		4,801	
S. Dakota		6,238		4,906		1,332	
Tennessee		31,840		25,170		6,670	
Texas		96,617		75,589		21,028	
Utah		6,536		3,989		2,547	
Vermont		3,238		2,643		595	
Virginia		23,465		17,523		5,942	
Washington		28,373		20,472		7,901	
W. Virginia		8,299		7,135		1,164	
Wisconsin		60,709		44,920		15,789	
Wyoming		2,175		1,965		210	
Guam							
Puerto Rico		0		0		0	
Virgin Islands		0		0		0	

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Recipients of long-term care also are included on Table IX.B.
(2) Based on unduplicated annual count.
(3) 'Elderly' means 65 years or older.
(4) 'Handicapped or Disabled' is defined as inability to engage in substantial gainful acitivity.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
13.714 MEDICAID

	Benefits	Administration	Total
United States	$1,800	$92	$1,892
Alabama	$1,516	$50	$1,566
Alaska	$2,851	$201	$3,052
Arizona			
Arkansas	$1,887	$93	$1,980
California	$1,265	$84	$1,350
Colorado	$2,184	$108	$2,292
Connecticut	$2,667	$131	$2,798
Delaware	$1,703	$78	$1,781
D. C.	$3,129	$148	$3,277
Florida	$1,700	$62	$1,763
Georgia	$1,636	$68	$1,704
Hawaii	$1,533	$96	$1,629
Idaho	$1,927	$121	$2,048
Illinois	$1,617	$54	$1,671
Indiana	$2,592	$95	$2,688
Iowa	$1,705	$65	$1,770
Kansas	$1,843	$85	$1,928
Kentucky	$1,358	$57	$1,415
Louisiana	$1,775	$62	$1,837
Maine	$1,987	$99	$2,087
Maryland	$1,863	$104	$1,967
Massachusetts	$3,058	$127	$3,185
Michigan	$1,487	$69	$1,556
Minnesota	$2,832	$112	$2,944
Mississippi	$990	$33	$1,023
Missouri	$1,562	$57	$1,619
Montana	$2,067	$158	$2,225
Nebraksa	$1,791	$109	$1,900
Nevada	$2,366	$202	$2,568
New Hampshire	$3,140	$231	$3,372
New Jersey	$2,005	$117	$2,122
New Mexico	$1,756	$96	$1,852
New York	$3,507	$184	$3,691
N. Carolina	$1,885	$105	$1,990
N. Dakota	$3,136	$177	$3,313
Ohio	$1,678	$58	$1,736
Oklahoma	$1,733	$136	$1,869
Oregon	$1,656	$221	$1,878
Pennsylvania	$1,782	$101	$1,883
Rhode Island	$2,319	$67	$2,386
S. Carolina	$1,498	$97	$1,595
S. Dakota	$2,796	$75	$2,871
Tennessee	$1,696	$89	$1,785
Texas	$1,938	$142	$2,080
Utah	$1,975	$184	$2,159
Vermont	$1,758	$167	$1,925
Virginia	$1,841	$73	$1,914
Washington	$1,900	$94	$1,993
W. Virginia	$849	$54	$903
Wisconsin	$2,171	$73	$2,244
Wyoming	$1,440	$62	$1,502
Guam			
Puerto Rico	$89	$4	$93
Virgin Islands	$250	$33	$284

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Based on unduplicated annual count of persons served.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
13.714 MEDICAID

	Benefits	Administration	Total
United States	$1,653	$84	$1,737
Alabama	$1,150	$38	$1,188
Alaska	$2,362	$135	$2,497
Arizona			
Arkansas	$1,776	$72	$1,847
California	$1,101	$85	$1,186
Colorado	$1,983	$104	$2,087
Connecticut	$2,465	$112	$2,577
Delaware	$1,427	$61	$1,488
D. C.	$2,772	$147	$2,918
Florida	$1,399	$51	$1,450
Georgia	$1,381	$74	$1,455
Hawaii	$1,444	$74	$1,517
Idaho	$1,868	$123	$1,991
Illinois	$1,652	$56	$1,708
Indiana	$2,314	$101	$2,414
Iowa	$1,581	$55	$1,636
Kansas	$1,621	$75	$1,696
Kentucky	$1,074	$46	$1,120
Louisiana	$1,800	$64	$1,864
Maine	$1,754	$85	$1,839
Maryland	$1,862	$84	$1,946
Massachusetts	$2,827	$96	$2,922
Michigan	$1,472	$59	$1,531
Minnesota	$2,765	$104	$2,869
Mississippi	$1,040	$28	$1,069
Missouri	$1,412	$48	$1,460
Montana	$2,031	$107	$2,138
Nebraksa	$1,787	$107	$1,894
Nevada	$2,300	$189	$2,489
New Hampshire	$2,874	$152	$3,026
New Jersey	$1,753	$100	$1,854
New Mexico	$1,624	$87	$1,711
New York	$3,181	$178	$3,359
N. Carolina	$1,752	$103	$1,855
N. Dakota	$2,884	$160	$3,044
Ohio	$1,627	$49	$1,676
Oklahoma	$1,614	$142	$1,756
Oregon	$2,577	$340	$2,916
Pennsylvania	$1,694	$85	$1,779
Rhode Island	$2,081	$57	$2,138
S. Carolina	$1,320	$64	$1,384
S. Dakota	$2,760	$82	$2,843
Tennessee	$1,563	$48	$1,611
Texas	$2,002	$136	$2,137
Utah	$1,814	$207	$2,021
Vermont	$1,684	$134	$1,818
Virginia	$1,712	$76	$1,788
Washington	$1,600	$98	$1,698
W. Virginia	$760	$49	$809
Wisconsin	$1,911	$62	$1,973
Wyoming	$1,693	$66	$1,759
Guam			
Puerto Rico	$78	$4	$82
Virgin Islands	$272	$32	$304

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Based on unduplicated annual count of persons served.

X. C. MEAN FY 85 COSTS PER UNIT SERVED (1)
13.714 MEDICAID (LONG-TERM CARE)

	Benefits
United States	$10,688
Alabama	$8,191
Alaska	$31,261
Arizona	
Arkansas	$7,897
California	$8,303
Colorado	$7,147
Connecticut	$10,565
Delaware	$13,460
D. C.	$23,055
Florida	$10,633
Georgia	$6,852
Hawaii	$14,889
Idaho	$9,418
Illinois	$8,179
Indiana	$8,654
Iowa	$7,359
Kansas	$7,808
Kentucky	$7,674
Louisiana	$9,498
Maine	$11,125
Maryland	$7,707
Massachusetts	$14,444
Michigan	$8,677
Minnesota	$12,327
Mississippi	$7,229
Missouri	$7,595
Montana	$8,915
Nebraska	$7,833
Nevada	$10,411
New Hampshire	$11,341
New Jersey	$14,049
New Mexico	$11,658
New York	$24,128
N. Carolina	$10,861
N. Dakota	$9,968
Ohio	$10,803
Oklahoma	$7,816
Oregon	$9,259
Pennsylvania	$11,074
Rhode Island	$13,543
S. Carolina	$11,113
S. Dakota	$8,363
Tennessee	$7,765
Texas	$7,945
Utah	$8,404
Vermont	$11,456
Virginia	$12,449
Washington	$10,791
W. Virginia	$8,472
Wisconsin	$8,110
Wyoming	$6,930
Guam	
Puerto Rico	$0
Virgin Islands	$0

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Based on unduplicated annual count of persons served.

X. D. MEAN FY 84 COSTS PER UNIT SERVED (1)
13.714 MEDICAID (LONG-TERM CARE)

	Benefits
United States	$9,656
Alabama	$6,379
Alaska	$28,017
Arizona	
Arkansas	$6,960
California	$6,472
Colorado	$7,381
Connecticut	$12,637
Delaware	$11,784
D. C.	$23,208
Florida	$10,199
Georgia	$6,189
Hawaii	$12,651
Idaho	$8,861
Illinois	$6,451
Indiana	$8,103
Iowa	$7,127
Kansas	$7,081
Kentucky	$6,386
Louisiana	$9,245
Maine	$10,607
Maryland	$13,083
Massachusetts	$12,992
Michigan	$8,560
Minnesota	$11,620
Mississippi	$7,485
Missouri	$7,926
Montana	$6,270
Nebraksa	$7,382
Nevada	$9,797
New Hampshire	$11,072
New Jersey	$11,762
New Mexico	$11,180
New York	$21,050
N. Carolina	$10,124
N. Dakota	$8,714
Ohio	$8,445
Oklahoma	$7,547
Oregon	$5,503
Pennsylvania	$10,986
Rhode Island	$12,332
S. Carolina	$9,380
S. Dakota	$7,977
Tennessee	$7,250
Texas	$7,355
Utah	$8,909
Vermont	$11,340
Virginia	$11,660
Washington	$7,842
W. Virginia	$6,998
Wisconsin	$8,540
Wyoming	$6,345
Guam	
Puerto Rico	$0
Virgin Islands	$0

Data Sources: OFFICE OF THE ACTUARY, HCFA.

(1) Based on unduplicated annual count of persons served.

XI. HISTORICAL DATA (In thousands)
13.714 MEDICAID

Federal Fiscal Year	Total Federal Outlays		Total State-Local Spending	Persons Served	(1)	Federal Staff	(2)
1985	$22,655,000		$18,560,561	21,809		1,319	
1984	$20,061,000		$16,229,463	21,604		1,338	
1983	$18,985,000		$15,865,952	21,554		1,521	
1982	$17,391,000		$14,407,086	21,603		1,704	
1981	$16,833,000		$13,251,156	21,980		1,889	
1980	$13,957,000		$11,068,979	21,605		1,819	
1979	$12,407,000		$10,049,332	21,520			
1978	$10,680,000		$8,307,736	21,964			
1977	$9,876,000		$7,598,485	22,832			
1976	$8,568,000	(3)	$6,556,150	22,815			
1975	$6,840,000		$5,406,102	22,007			
1974	$5,818,000		$4,326,223	21,462			
1973	$4,600,000		$3,811,685	19,622			
1972	$4,601,000		$3,896,301	17,606			
1971	$3,666,983		$3,075,143	17,985			
1970	$2,905,013		$2,433,765	14,507			
1969	$2,419,016		$2,242,346				
1968	$1,879,741		$1,740,506				
1967	$1,275,985		$1,173,019				
1966	$954,556		$853,587				
1965	$582,442		$515,978				
1964	$495,470		$439,856				
1963	$422,984		$378,536				
1962	$345,605		$309,756				
1961	$219,496		$203,664				
1960	$180,440		$173,363				

Data Sources: OFFICE OF MANAGEMENT AND BUDGET, HCFA.

(1) Based on unduplicated annual count.
(2) Not in thousands.
(3) FY 1976 outlays shown are exclusive of $2,223,600(000) for Transition Quarter.

XII. BASIC LIST OF MEDICAID ELIGIBILITY GROUPS

Groups are presented in six clusters:

1. mandatory - families with children (includes pregnant women);
2. mandatory - aged, blind, and disabled;
3. mandatory - all categories;
4. optional - families with children (includes pregnant women);
5. optional - aged, blind, disabled;
6. optional - all categories.

Medicaid eligibility policies are rooted in AFDC policies (Aid to Families with Dependent Children) for families with children and in SSI policies (Supplemental Security Income) for the aged, blind, and disabled. Certain cash rules are applied even for groups of Medicaid recipients who have no direct or personal connection to either of the cash programs.

MANDATORY MEDICAID ELIGIBILITY GROUPS:

FAMILIES WITH CHILDREN, INCLUDING PREGNANT WOMEN

1. Recipients of AFDC.

These are mainly single-parent families. States have the option under AFDC to provide cash assistance to two-parent families in which the principal breadwinner is unemployed. If a state elects that option, it must provide Medicaid to those AFDC recipients as well.

> Law: Title IV of the Social Security Act; Section 1902(a)(10)(A)(i)(I) Regulations: 45 CFR parts 200 -- 499; 42 CFR 435.110)

AFDC-like families that do not receive an AFDC payment solely because:

2. The amount they qualify for is less than $10, the minimum amount AFDC will pay;

   Law: Section 1902(a)(10)(A)(I), Section 402(a)(32)
   Regulations: 42 CFR 435.115(b)

3. They participate in a "Work Supplementation" program (which pays for work) and they would qualify for AFDC if they did not participate;

Law: Section 1902(a)(10)(A)(i)(I), Section 414(g)
Regulations: 42 CFR 435.115(d)

4. AFDC payments otherwise due them in the current month have been withheld in order to repay AFDC overpayments they received in a previous month(s).

   Law: Section 402(a)(22)(A) Regulations: 42 CFR 435.115

Certain families terminated from AFDC, including:

5. Working families get nine months of continued Medicaid coverage (six more at state option) if they would continue to be eligible for AFDC except that the period of the earnings disregards has expired and the AFDC program starts counting all earned income;

   Law: Section 402(a)(37), Section 1902(a)(10)(A)(i)(I)

6. Working families get four months of continued Medicaid coverage if they lose AFDC benefits because of increased hours of or earnings from employment;

   Law: Section 1902(c)(1) Regulations: 42 CFR 435.112

7. Families losing AFDC due to the receipt of child support payments also get four months of continued Medicaid coverage.

   Law: Section 406(h).

8. Families ineligible for AFDC solely because of requirements forbidden in Medicaid statute. For example, Medicaid must cover families who are disqualified from AFDC because that program deemed income to be available to them from persons other than their spouses or parents in the case of minor children.

   Regulation: 42 CFR 435.113, Section 1902(a)(10)(A)(i)(I)

Pregnant women and children who may not qualify for an AFDC payment, including:

9. All pregnant women who meet AFDC eligibility criteria for income and resources, as early as the date pregnancy is medically verified through 60 days postpartum for pregnancy-related care;

   Law: Section 1902(a)(10)(A)(i)(III), Section 1905(n)

10. Children under age five in families that meet the state's financial requirements for AFDC but not other AFDC requirements;

    Law: Section 1902(a)(10)(A)(i)(III), Section 1905(n)

11. Children born to mothers already eligible for Medicaid for one year after birth, provided the mother remains eligible;

    Law: Section 1902(e) of the Act

12. Children adopted or placed in foster care in the federally assisted programs for adoption assistance and foster care (especially for hard-to-place children).

    Law: Title IV-E of the Act, Section 1902(a)(10)(A)(i)(I) Regulations: 45 CFR Subpart G, 42 CFR 435.118

MANDATORY MEDICAID ELIGIBILITY GROUPS:

AGED, BLIND, AND DISABLED

13. Recipients of SSI payments.

    a. All SSI recipients are eligible for Medicaid in the 36 states that have agreed to cover them. Of these 36 states, 30 provide Medicaid automatically to all persons whose names appear on a list of SSI recipients provided to the state by the Social Security Administration. In six of these states, SSI recipients must file a separate application with the state for Medicaid.

    b. In 14 so-called 209(b) states, SSI recipients qualify for Medicaid only if they also meet the more restrictive rules that the state has elected to carry over from its pre-SSI aid program.

       Law: SSI requirements at Title XVI of the Act; Section 1902 (a)(10)(A)(i)(II), Section 1902(f) Regulations: 20 CFR Part 416; 42 CFR 435

14. Disabled people who work despite their medical impairments, whose level of earnings, though substantial, is less than the benefits they would receive if they did not work and relied instead on various public programs for income, medical, and other support.

    Law: Section 1619, Section 1902 (a)(10)(A)(i)(II) Regulations: 20 CFR 416.260-269, 42 CFR 435

"Grandfathered groups" including:

15. Recipients of mandatory state supplemental cash payments (states that had paid higher amounts than SSI when SSI was implemented must continue to pay the difference to eligible people who received a cash payment from the state in December 1973.

Law: Pub. L. 93-66, Pub. L. 93-233 Regulations: 20 CFR 416.2050-85, 42 CFR 435.130

Individuals who got cash assistance from their state in December 1973 and who lost cash benefits when SSI replaced state aid programs for the aged, blind, and disabled, including:

16. Certain "essential" spouses,

17. Certain medically needy individuals in institutions,

18. Blind and disabled people who do not meet the SSI eligibility criteria for blindness or disability.

Law: Pub. L. 93-66, Pub. L. 93-233 Regulations: 42 CFR 435.131-3

19. Disabled widows and widowers who lost SSI benefits because of 1983 changes in the actuarial formula used to compute the amount of their Social Security benefit.

Law: Section 1634 of the Act

20. Disabled children who lose SSI because of increases in Social Security benefits they receive that are based on a parent's entitlement to Social Security.

Law: Section 1634 of the Act

MANDATORY MEDICAID FOR ALL GROUPS

AGED, BLIND, DISABLED, FAMILIES WITH CHILDREN

21. Former recipients of cash assistance from AFDC, SSI, or a State Supplemental Payment (SSP) program whose incomes now exceed eligibility thresholds because of cost-of-living adjustments (COLAs) in their Social Security benefits, but who meet all other eligibility requirements for one of the cash programs, including:

- people who actually lost cash benefits due to a COLA;

- those who lost cash assistance for some other reason but who could qualify currently if that part of their Social Security benefits attributable to past COLAs is disregarded;
- those who would have lost AFDC or SSI if they had applied for and been receiving it when the COLA was provided;
- those who would have qualified for AFDC or SSI if they had not been in a medical institution when the COLA was effected.

Law: Section 249(E) of Pub. L. 92-603 as amended by Pub. L. 94-48, Section 503 of Pub. L. 94-566 Regulations: 20 CFR 416.2095, 42 CFR 435.113,134,135

22. Recipients of Refugee Cash Assistance -- certain refugees from Indochina, Cuba, or Haiti, who meet the usual financial criteria for AFDC or SSI but who don't fit the usual categories of persons coverable by those programs, for example because they live in two-parent, extended, or multi-generational families.

Law: Refugee Assistance Act (Pub. L. 96-212 as amended)

23. Certain recipients of veterans' pensions who are eligible for SSI or AFDC solely because they have taken the opportunity to decline to accept the full amount of VA benefits to which they're entitled -- an opportunity not available to any other class of applicants for AFDC, SSI, or Medicaid.

Law: Section 1133 of the Act

OPTIONAL MEDICAID ELIGIBILITY

FAMILIES WITH CHILDREN

24. Pregnant women through 60 days postpartum whose family income is higher than AFDC levels but less than 100 percent of federal poverty guidelines.

Law: Section 1902(a)(10)(A)(ii)(IX) of the Act

25. Children, phased in up to age five, whose family income is higher than AFDC levels but less than 100 percent of federal poverty guidelines.

Law: Section 1902(a)(10)(A)(ii)(IX) of the Act

26. Families that would get AFDC if they paid for child care out of their earnings from work (such out-of-pocket payments, if made, would be deducted from earnings, enabling them to qualify for AFDC), but use publicly funded child care services instead.

Law: Section 1902(a)(10)(A)(ii)(II) of the Act
Regulations: 42 CFR 435.220

27. "Ribicoff kids" -- those over age five who, though they or their families meet all AFDC financial criteria, do not get AFDC because:

- they live with two parents; or

- they live with neither parent nor with a caretaker relative, e.g., they live in privately subsidized foster care or certain institutional settings.

States may set the upper age limit from 18 to 21 and may cover all such children or just state-selected reasonable classifications.

Law: Section 1902(a)(10)(A)(ii)(I) of the Act Regulations: 42 CFR 435.220

28. Families that would get AFDC if their state had elected to cover that type of family in its AFDC program. For example, states may provide Medicaid but decline the AFDC option to provide cash benefits to families in which the principal breadwinner in unemployed.

Law: Section 1902(a)(10)(A)(ii)(III) of the Act
Regulations: 42 CFR 435.223

29. Children with special medical or rehabilitative needs adopted under a state-funded program for assisting adoptions, regardless of the adoptive parents' financial circumstances.

Law: Section 1902(a)(10)(A)(ii)(VIII), Section 473

OPTIONAL MEDICAID ELIGIBILITY:

AGED, BLIND, AND DISABLED PERSONS

30. Aged, blind, and disabled individuals with incomes above SSI levels but below federal poverty guidelines.

- This option is contingent on the states covering some pregnant women and children above AFDC but below poverty.

- The benefit package may be the same as for SSI recipients or may be limited to just Medicare cost-sharing amounts.

Law: Section 1902(a)(10)(A)(ii)(X)

31. Persons with too much income to qualify for SSI but who receive a state supplemental payment (SSP) under an optional, state-established program to provide a higher income floor for the aged, blind, and disabled. States may provide SSP payments and Medicaid to:

- all aged, blind, or disabled persons;
- the aged, or blind, or disabled, who live independently;
- the aged, or blind, or disabled in state-defined levels of supported living arrangements that provide some measure of nonmedical, custodial care.

Law: Section 1616-8 of the Act, Section 1902 (a)(10)(A)(ii)(IV) Regulations: 20 CFR Subpart T, 42 CFR 435.230

32. People in medical institutions who meet SSI criteria except that their incomes are above SSI income levels and below a state-set threshold pertaining to persons in medical institutions. The state may set the threshold up to three times the SSI payment standard for an individual.

Law: Section 1902 (a)(10)(A)(ii)(V) Regulations: 42 CFR 435.231

33. States that cover people described in 32 above may extend the same higher income threshold to persons receiving services under a home and community based waiver program.

Law: Section 1902 (a)(10)(A)(ii)(VI) Regulations 42 CFR 435.232

34. Severely disabled children, regardless of parental income or resources, whose needs for institutional levels of care can effectively be met at home and at less cost than institutional care.

Law: Section 1903(e)(3)

OPTIONAL ELIGIBILITY FOR ALL GROUPS:

AGED, BLIND, DISABLED, FAMILIES WITH CHILDREN

35. Persons who would be eligible for AFDC, SSI, or an SSP payment but are not receiving one, for example, because they have not applied for those programs.

    Law: Section 1902(a)(10)(A)(ii)(I) Regulations: 42 CFR 435.210

36. Persons who would qualify for AFDC, SSI, or an SSP if they were not in a medical institution.

    Law: Section 1902(a)(10)(A)(ii)(IV) Regulations: 42 CFR 435.211

37. Persons who cease being eligible for Medicaid while enrolled in a federally qualified HMO (time-limited eligibility extension).

    Law: Section 1902(e)(2) Regulations: 42 CFR 435.212

38. The medically needy -- those who would qualify for AFDC, SSI, SSP, or one of the other categories listed above except that they have too much income or resources. (Persons not fitting any of these categories cannot qualify as medically needy no matter how poor or how extensive their medical expenses, for example, nondisabled adults without minor children in their care.)

    - States may limit medically needy coverage to certain state-selected categories, for example, only the aged but not the blind or disabled.

    - States covering any medically needy group at all must at least cover pregnant women and children who would qualify for an AFDC or SSI payment if they had less income or resources.

    - To qualify as medically needy, an applicant cannot receive benefits until his or her income, minus expenses incurred for medical care, falls to or below the state-prescribed income level. That level may not exceed 133 1/3 percent of the AFDC payment standard for the same size family.

Law: Section 1902(a)(10)(C), Section 1902(a)(17)
Regulations: 42 CFR 435 subparts D and I.

VETERANS HEALTH CARE

I. PROGRAM SUMMARY

The Veterans Administration (VA) provides free or reduced-price medical services to eligible veterans as needed and as available resources permit. Virtually all VA medical services are provided through 172 VA Hospitals, 116 VA Nursing Homes, and 16 domiciliaries. In addition, 35 states receive per diem payments from the VA for care of veterans in state domiciliaries, nursing homes and hospitals. These payments account for less than one percent of VA medical care expenditures.

In general, all veterans who were discharged under other than dishonorable conditions, may apply for VA medical services. The medical services provided by the VA are not an entitlement program and are therefore provided according to established priority groups and within the limits of the resources annually appropriated by Congress. By law, the VA must provide hospital care to veterans with a disability connected with their service and to low income veterans.

Eligibility for VA medical services is determined differently for different groups of veterans. Among those eligible for care by the VA without regard to income are veterans who have a service-connected disabilities, are retired from the military due to disabilities, are former POWs, are veterans of World War I or the Mexican border period, are eligible for Medicaid, are in receipt of a VA pension, or are in need of care for conditions possibly related to exposure to Agent Orange or to ionizing radiation. Other veterans are subject to an income based means-test (as of July 1, 1986) and copayments are required for veterans with incomes in excess of thresholds adjusted for family size. The copayment thresholds begin at an annual income of $15,195 for veterans with no dependents.

The medical care provided by the VA includes the full range of inpatient, outpatient, and long-term care services. In addition to physician services, the VA provides other health services including dental care, rehabilitation and readjustment services, medicines and medical supplies, skilled nursing care, and home health services. The availability of these services may be subject to certain time limits and may vary for different groups of veterans.

As the veteran population grows older, veterans utilizing VA medical services are more likely to be elderly, infirm, or disabled. Recent VA initiatives have been aimed at developing, expanding, and coordinating community-based alternatives to institutional care. These initiatives have resulted in partnerships between the VA and many public and private organizations working to build community-based support networks.

II. ADMINISTRATION

A. Program name: Veterans Health Care.

B. Catalog of Federal Domestic Assistance No.: 64.009 & 64.011
Budget account number(s): 36-0160-0-1-703.

C. Current authorizing statute: 38 U.S.C. 17.

D. Location of program regulations in the Code of Federal Regulations: 38 CFR Chapter 17.

E. Federal administering agency: Veterans Administration.

F. Primary grantee (if any) receiving program funds to provide benefits: None.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Veterans Health Care is not an entitlement program. Congress passes a yearly appropriation that the VA uses to provide care to eligible veterans. Approximately 0.7 percent of the funds go to states for state veterans nursing homes, hospitals and domiciliaries. The VA operates 172 hospitals, 116 Nursing Home Care Units, and 16 domiciliaries.

I. Role of state and local governments in administering the program.

Per diem payments are made to 35 states, 32 of which operate state veterans domiciliaries, 30 of which operate state veterans nursing homes, and six of which operate state veterans hospitals.

J. Audit or quality control.

State facilities which receive per diem payments are inspected annually by the VA, primarily to ensure quality medical care. If there are problems, they are asked to submit a corrective action plan with a time-table for completed actions. If this is acceptable, they continue to receive their payments. If not, payments are stopped.

VA hospital operations are reviewed and inspected by the VA SERP (Systematic External Review Program), JCAH (Joint Commission on Accreditation of Hospitals), and the VA Inspector General.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The objective is for the VA to provide quality hospital, nursing home, and domiciliary services to eligible veterans with the resources appropriated by Congress.

B. Allocation of program funds among various activities.

Funds are allocated to the VA by the Congress as part of the Federal Budget. The VA distributes allocated funds to individual facilities within the VA system.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Eligibility is determined for individual veterans applying for medical care.

B. Income eligibility standards.

Veterans who have a service-connected disability, are retired from the military for a disability, are former POWs, are veterans of World War I or the Mexican border period, are eligible for Medicaid, are in receipt of VA pension, or are in need of care for conditions possibly related to exposure to Agent Orange or to ionizing radiation, are eligible for free care by the VA without regard to income.

Other veterans are subject to an income based means-test as of July 1, 1986. The VA is obligated to furnish free hospital care and may furnish nursing home and outpatient care to veterans with a disability which is not service-connected (NSC) if his or her income is less than $15,195 and to married veterans with incomes less than $18,234 (an additional $1,103 is allowed for each dependent). For NSC veterans with incomes between $15,195 and $20,260 with no dependents, $18,260 and $25,325 with a spouse, the VA may furnish free hospital, nursing home, and outpatient care as resources permit. For NSC veterans with incomes in excess of these amounts, a copayment equal to the Medicare copayment is required to establish eligibility for VA care, which may then be furnished as resources permit.

The income thresholds used to determine eligibility are adjusted annually on January 1 by an equivalent of the percent increase in VA pension rates.

Applicable income and assets are determined in the same manner as for VA pension. Excluded is income from relief or welfare organizations, proceeds from fire insurance policies, certain unreimbursed medical expenses, and amounts paid for vocational rehabilitation or training.

C. Other eligibility requirements.

Other conditions include an other than dishonorable discharge from active duty, minimum active duty service time for veterans enlisting after 1980, and medical need.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Veterans required to make a copayment to establish eligibility for VA care must pay an amount not to exceed the Medicare deductible within a 90 day billing period.

V. BENEFITS AND SERVICES

A. Program intake processes.

All beneficiaries are voluntary applicants.

B. Program benefits or services.

Medical services are provided by the VA as needed to veterans determined eligible for care within the available resources and according to established priority groups.

The medical care provided by the VA includes the full range of inpatient, outpatient, and long-term care services. In addition to physician services, the VA provides dental care, rehabilitation and readjustment services, medicines and medical supplies, skilled nursing care, and home health services.

C. Duration of benefits.

No information is available on the average duration of participation.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Eligibility for VA pension or for Medicaid (along with veteran status) provides basic eligibility for VA health care.

B. Counting assistance from other programs.

Changes in amount of benefits from other programs have no effect on amount of benefits from VA health care once eligibility is established.

C. Overlapping authorities and benefits.

Medicare, Medicaid, and health care available at Department of Defense facilities may provide benefits to some of the same patient population. Such benefits are either the direct provision of or coverage for health care.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Veterans' Affairs

House of Representatives

Committee on Veterans' Affairs

B. Appropriating subcommittees.

Senate

Subcommittee on HUD - Independent Agencies

House of Representatives

Subcommittee on HUD - Independent Agencies

C. Other committees and subcommittees have held hearings on this program within the past two years.

None.

D. Federal legislation.

Almost every session of Congress has passed legislation affecting veterans' health care.

Pub. L. 91-500 - October 22, 1970: Authorized outpatient treatment for any condition to any veteran in receipt of increased pension or additional compensation based on the need for regular aid and attendance or by reason or being permanently housebound; exempted veterans in receipt of pension from making statement under oath regarding ability to defray necessary expenses of hospital care.

Authorized hospital care for nonservice connected disabilities for veterans aged 65 or over without regard to their ability to defray expenses of such care.

Pub. L. 93-82 - August 2, 1973: Permitted the furnishing of services on an outpatient or ambulatory basis to any veteran eligible for hospital care where such services are reasonably necessary in preparation for or to obviate the need for hospital admission or to complete hospital care; and to any veteran who has a service connected disability rate at 80 percent or more.

Authorized direct admission to VA or community nursing homes at VA expense for veterans requiring nursing home care for service-connected disabilities.

Provided for the furnishing of hospital care or nursing home care to a peacetime veteran for a nonservice connected disability if he is unable to defray the expenses of necessary care.

Pub. L. 94-581 - October 21, 1976: Restricted OPT-NSC to 12 months. Added additional CHAMPVA beneficiaries. Authorized the home improvement and structural alterations benefits as home health services. Rescinded authority to provide fee medical care to aid and attendance or housebound veterans.

Pub. L. 96-22 - June 13, 1979: Authorized the Readjustment Counseling Program, dental treatment for POWs detained 6 months or more, alcohol and drug treatment in Halfway Houses. Restored authority to provide fee medical care to A&A and HB veterans and required an annual report on our fee and contract programs.

Pub. L. 96-151 - December 20, 1979: Placed limitation on fee dental. Authorized contract hospital care for NSC disabilities for veterans receiving medical services in a VA or other governmental facility. Broadened entitlement of WWI and Mexican border period veterans. Liberalized entitlement of CHAMPVA.

Pub. L. 96-330 - August 26, 1980: Modified VA standards for presumption of inability to pay medical expenses and provided for the availability of funds for beneficiary travel.

Pub. L. 86-342 - September 8, 1980: Denied certain benefits to persons who fail to complete at least 2 years of an original enlistment.

Pub. L. 97-35 - August 13, 1981: Reduced dental eligibility by requiring application within 90 days of discharge or separation instead of 1 year and required a minimum 180 days of active duty.

Pub. L. 97-37 - August 14, 1981: Authorized OPT for any disability of a former POW within the limits of VA facilities. Exempted NSC former POWs from signing the oath of inability to pay for hospital or NH care. Provided special priority for OP services to former NSC POWs ahead of all the other NSC veterans, including those receiving A&A and HB allowance.

Pub. L. 97-72 - November 3, 1981: Authorized medical care for conditions possibly related to exposure to Agent Orange or ionizing radiation. Expanded VA authority to provide medical care to CHAMPVA beneficiaries at facilities equipped to provide care. Provided statutory authority to recover cost of medical care furnished at VA facilities from victims of motor vehicle accidents, crimes of personal violence, and to veterans injured at work and entitled to workers' compensation.

Pub. L. 97-306 - October 14, 1982: Minimum active-duty service requirements.

Pub. L. 97-251 - September 1982: Extended CHAMPVA eligibility for beneficiaries who lost eligibility because of Medicare coverage and then exhausted Medicare Part A coverage.

Pub. L. 97-174 - May 4, 1982: Authorized VA-DOD contingency planning and sharing of health care resources.

Pub. L. 98-160 - November 21, 1983: Removed the time limits for Vietnam veterans to request Readjustment Counseling. Provided new authority for the VA to furnish adult day health care to certain veterans by contract or in VA facilities. Clarified authority for the VA's operation of the Residential Care Home Program.

Pub. L. 98-543 - October 24, 1984: Authorized hospital care and medical services which may be provided to any veteran who is participating in a vocational training program.

Pub. L. 99-166 - January 3, 1985: Removed the Virgin Islands from delimiting restrictions for contract care. Extended authority for contract care in Puerto Rico. Removed the delimiting date for readjustment counseling. Allowed direct placement in CNHs in Alaska and Hawaii.

Pub. L. 99-272 - April 9, 1986: Established three distinct levels of categories of eligibility for VA hospital and nursing home care within the framework of an income based means-test. Allowed for recovery of the cost of medical care furnished to nonservice connected veterans from third-party health insurance policies carried by those veterans.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands) (1)
64.009 VETERANS HEALTH CARE (NON-SERVICE-CONNECTED)

		Outpatient Costs	
United States		$4,279,820	(2)
Alabama		$72,462	
Alaska		$27,703	
Arizona		$57,031	
Arkansas		$83,334	
California		$504,780	
Colorado		$48,067	
Connecticut		$44,084	
Delaware		$18,695	
D. C.		$62,204	
Florida		$149,374	
Georgia		$73,488	
Hawaii		$3,702	
Idaho		$11,063	
Illinois		$285,058	
Indiana		$71,207	
Iowa		$62,820	
Kansas		$58,571	
Kentucky		$55,077	
Louisiana		$98,225	
Maine		$15,514	
Maryland		$46,221	
Massachusetts		$109,887	
Michigan		$110,843	
Minnesota		$76,550	
Mississippi		$49,051	
Missouri		$122,618	
Montana		$13,133	
Nebraska		$45,959	
Nevada		$21,341	
New Hampshire		$11,242	
New Jersey		$68,697	
New Mexico		$21,212	
New York		$405,253	
N. Carolina		$84,452	
N. Dakota		$16,907	
Ohio		$164,117	
Oklahoma		$42,038	
Oregon		$67,252	
Pennsylvania		$180,003	
Rhode Island		$17,083	
S. Carolina		$48,557	
S. Dakota		$40,705	
Tennessee		$113,650	
Texas		$235,761	
Utah		$29,473	
Vermont		$13,948	
Virginia		$97,065	
Washington		$70,606	
W. Virginia		$53,493	
Wisconsin		$86,940	
Wyoming		$17,856	
Guam	(3)		
Puerto Rico		$39,468	
Virgin Islands	(4)		

Data Sources: Veterans' Administration.

(1) These data are based on a FY 84 20% sample of outpatient visits by state that were catagorized into SC or NSC by individual. Funds for hospitalized veterans are not included. FY 84 proportions were used to estimate proportions of FY 85 spending going for NSC by state.
(2) These dollar expenditures represent funds used by VA to provide medical care to NSC veterans.
(3) Included in expenditures for Hawaii.
(4) Included in expenditures for Puerto Rico.

VIII B. TOTAL FY 84 PROGRAM SPENDING (In thousands) (1)
84.009 VETERANS HEALTH CARE (NON-SERVICE-CONNECTED)

		Outpatient Costs	
United States		$4,076,247	(2)
Alabama		$70,389	
Alaska		$18,868	
Arizona		$56,059	
Arkansas		$76,723	
California		$488,232	
Colorado		$45,575	
Connecticut		$42,277	
Delaware		$18,027	
D. C.		$55,792	
Florida		$140,823	
Georgia		$71,774	
Hawaii		$3,232	
Idaho		$10,038	
Illinois		$273,767	
Indiana		$70,174	
Iowa		$61,128	
Kansas		$56,797	
Kentucky		$52,868	
Louisiana		$88,163	
Maine		$14,823	
Maryland		$46,809	
Massachusetts		$103,274	
Michigan		$104,384	
Minnesota		$72,816	
Mississippi		$44,889	
Missouri		$121,788	
Montana		$12,972	
Nebraska		$46,178	
Nevada		$20,203	
New Hampshire		$11,242	
New Jersey		$66,099	
New Mexico		$16,047	
New York		$385,180	
N. Carolina		$83,368	
N. Dakota		$14,028	
Ohio		$163,273	
Oklahoma		$41,273	
Oregon		$60,192	
Pennsylvania		$151,792	
Rhode Island		$15,800	
S. Carolina		$48,775	
S. Dakota		$38,190	
Tennessee		$105,128	
Texas		$220,672	
Utah		$28,506	
Vermont		$12,519	
Virginia		$93,054	
Washington		$64,950	
W. Virginia		$51,517	
Wisconsin		$84,928	
Wyoming		$17,575	
Guam	(3)		
Puerto Rico		$35,701	
Virgin Islands	(4)		

Data Sources: Veterans' Administration.

(1) These data are based on an FY 84 20% sample of outpatient visits that were categorized into SC or NSC by individual. Expenditures for hospitalized veterans are not included.
(2) These dollar expenditures represent funds used by VA to provide medical care to NSC veterans.
(3) Included in expenditures for Hawaii.
(4) Included in expenditures for Puerto Rico.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
64.009 VETERANS HEALTH CARE (NON-SERVICE-CONNCTED)

		Outpatients	(1)
United States		1,735,852	
Alabama		23,854	
Alaska		5,924	
Arizona		25,363	
Arkansas		23,894	
California		244,954	
Colorado		16,681	
Connecticut		17,175	
Delaware		6,182	
D. C.		28,554	
Florida		69,797	
Georgia		22,670	
Hawaii		2,677	
Idaho		5,401	
Illinois		118,007	
Indiana		20,591	
Iowa		14,166	
Kansas		19,257	
Kentucky		17,842	
Louisiana		42,599	
Maine		5,145	
Maryland		19,127	
Massachusetts		54,186	
Michigan		48,541	
Minnesota		32,273	
Mississippi		16,138	
Missouri		47,741	
Montana		4,558	
Nebraska		19,179	
Nevada		13,895	
New Hampshire		5,803	
New Jersey		18,970	
New Mexico		7,690	
New York		169,365	
N. Carolina		30,626	
N. Dakota		5,010	
Ohio		62,595	
Oklahoma		22,214	
Oregon		27,295	
Pennsylvania		67,181	
Rhode Island		10,500	
S. Carolina		18,337	
S. Dakota		13,280	
Tennessee		35,465	
Texas		98,560	
Utah		12,986	
Vermont		5,252	
Virginia		40,065	
Washington		25,914	
W. Virginia		16,931	
Wisconsin		28,362	
Wyoming		4,702	
Guam	(2)		
Puerto Rico		22,378	
Virgin Islands	(2)		

Data Sources: Veterans' Administration.

(1) Data based on a 20% sample of outpatient visits. Numbers of hospitalized veterans are not included.
(2) Data not available.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
64.009 VETERANS HEALTH CARE (NON-SERVICE-CONNECTED)

		Outpatients	(1)
United States		1,585,551	
Alabama		21,438	
Alaska		4,568	
Arizona		25,209	
Arkansas		21,438	
California		243,815	
Colorado		16,479	
Connecticut		15,635	
Delaware		5,113	
D. C.		23,914	
Florida		64,398	
Georgia		21,969	
Hawaii		2,504	
Idaho		5,036	
Illinois		116,778	
Indiana		17,999	
Iowa		18,370	
Kansas		18,287	
Kentucky		16,406	
Louisiana		43,400	
Maine		3,910	
Maryland		19,087	
Massachusetts		51,451	
Michigan		46,762	
Minnesota		31,349	
Mississippi		14,779	
Missouri		49,736	
Montana		4,222	
Nebraska		16,466	
Nevada		13,338	
New Hampshire		5,764	
New Jersey		19,457	
New Mexico		8,129	
New York		156,962	
N. Carolina		30,529	
N. Dakota		4,898	
Ohio		59,949	
Oklahoma		21,994	
Oregon		20,949	
Pennsylvania		64,376	
Rhode Island		10,189	
S. Carolina		17,564	
S. Dakota		10,610	
Tennessee		33,883	
Texas		95,307	
Utah		12,626	
Vermont		5,036	
Virginia		33,495	
Washington		24,275	
W. Virginia		16,180	
Wisconsin		25,568	
Wyoming		4,510	
Guam	(2)		
Puerto Rico		20,679	
Virgin Islands	(2)		

Data Sources: Veterans' Administration.

(1) Data is based on a 20% sample of outpatient visits. Numbers of hospitalized veterans are not included.
(2) Data unavailable.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
64.009 VETERANS HEALTH CARE (NON-SERVICE-CONNECTED)

		Outpatient Costs
United States		$2,466
Alabama		$3,038
Alaska		$4,676
Arizona		$2,249
Arkansas		$2,651
California		$2,061
Colorado		$2,882
Connecticut		$2,567
Delaware		$3,024
D. C.		$2,179
Florida		$2,140
Georgia		$3,242
Hawaii		$1,383
Idaho		$2,048
Illinois		$2,416
Indiana		$3,458
Iowa		$4,435
Kansas		$3,042
Kentucky		$3,087
Louisiana		$2,259
Maine		$3,015
Maryland		$2,417
Massachusetts		$2,028
Michigan		$2,284
Minnesota		$2,372
Mississippi		$3,040
Missouri		$2,568
Montana		$2,882
Nebraksa		$2,398
Nevada		$1,536
New Hampshire		$1,938
New Jersey		$3,621
New Mexico		$2,758
New York		$2,393
Ohio		$2,622
Oklahoma		$1,893
Oregon		$2,464
Pennsylvania		$2,382
Rhode Island		$1,627
S. Carolina		$2,648
S. Dakota		$3,065
Tennessee		$3,205
Texas		$2,392
Utah		$2,270
Vermont		$2,656
Virginia		$2,423
Washington		$2,725
W. Virginia		$3,130
Wisconsin		$3,065
Wyoming		$3,798
Guam	(2)	
Puerto Rico		$1,764
Virgin Islands	(3)	

Data Sources: Veterans' Administration.

(1) Data Based on 20% outpatient sample.
(2) Data included in Hawaii.
(3) Data included in Puerto Rico.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
64.009 VETERANS HEALTH CARE (NON-SERVICE-CONNECTED)

		Outpatient Costs
United States		$2,604
Alabama		$3,283
Alaska		$4,132
Arizona		$2,224
Arkansas		$3,579
California		$1,920
Colorado		$2,766
Connecticut		$2,704
Delaware		$3,526
D. C.		$2,333
Florida		$2,187
Georgia		$3,267
Hawaii		$1,291
Idaho		$1,993
Illinois		$2,344
Indiana		$3,899
Iowa		$3,328
Kansas		$3,109
Kentucky		$3,223
Louisiana		$2,031
Maine		$3,791
Maryland		$2,442
Massachusetts		$2,007
Michigan		$2,232
Minnesota		$2,323
Mississippi		$3,024
Missouri		$2,449
Montana		$3,073
Nebraska		$2,804
Nevada		$1,515
New Hampshire		$1,951
New Jersey		$3,397
New Mexico		$1,974
New York		$2,454
Ohio		$2,724
Oklahoma		$1,877
Oregon		$2,873
Pennsylvania		$2,358
Rhode Island		$1,551
S. Carolina		$2,663
S. Dakota		$3,600
Tennessee		$3,103
Texas		$2,316
Utah		$2,258
Vermont		$2,486
Virginia		$2,778
Washington		$2,676
W. Virginia		$3,184
Wisconsin		$3,322
Wyoming		$3,897
Guam	(2)	
Puerto Rico		$1,726
Virgin Islands	(3)	

Data Sources: Veterans' Administration.

(1) Data based on a 20% outpatient sample.
(2) Data included in Hawaii.
(3) Data included in Puerto Rico.

XI. HISTORICAL DATA (Dollars in thousands)
64.009 VETERANS HEALTH CARE (NON-SERVICE-CONNECTED)

Federal Fiscal Year	Total Federal Outlays (1)	Outpatients (2)	Total Staff
1985	$5,393,363	1,735,848	97,871
1984	$5,139,108	1,656,758	96,195
1983	$4,476,129	1,605,283	96,055
1982	$4,374,639	1,554,092	95,099
1981	$4,077,666	1,543,866	94,096
1980	$3,871,150	1,542,957	94,520
1979	$3,382,576	1,478,939	92,506
1978	$3,228,482	1,487,296	94,119
1977	$2,888,409	1,453,142	89,980
1976	$2,491,822	1,395,095	87,713
1975	$2,279,720	1,254,399	83,708
1974	$1,895,107	1,342,703	80,397
1973	$1,656,470	1,212,004	78,035
1972	$1,562,914	1,080,264	74,036
1971	$1,301,541	947,135	68,382
1970	$1,132,516	863,991	66,646
1969	$976,272	829,018	67,139
1968	$886,082	782,570	67,878
1967	$814,087	742,432	66,446
1966	$737,980	730,570	65,443
1965	$689,940	718,117	65,879
1964	$644,973	729,242	66,176
1963	$608,107	685,676	66,453
1962	$570,295	476,265	66,585
1961	$544,395	366,308	65,375
1960	$499,795	360,423	64,787

Data Sources: Veterans' Administration.
Office of Management and Budget.

(1) Represents share of Veterans Administration medical care outlays attributable to veterans, inlcuding pensioners, without service-connected disabilities.
(2) Estimates of NSC patients based on a 20% outpatient sample which identified patients as SC or NSC. Counts do not include hospitalized NSC veterans.

INDIAN HEALTH SERVICE

I. PROGRAM SUMMARY

The Indian Health Service (IHS) provides a full range of medical services for American Indians, Alaska natives, and their families. The program is administered by the Department of Health and Human Services; state and local governments play no direct role in the program. The IHS delivers health care in its own facilities or contracts for some services with Indian tribal organizations, private profit and nonprofit organizations, and private practitioners.

In FY 1985, the IHS service population totaled 963,000 and federal outlays for the program totaled about $813 million. All IHS health care providers are expected to seek reimbursement from public or private third-party payments such as private insurance or Medicaid. In FY 1985, total IHS revenues from other sources were about $33 million. Over the past 10 years, the number of persons served under IHS has increased about 64 percent and the real costs of the program to the federal government have increased about 68 percent.

All persons regarded as Indians by federally recognized Indian tribes, and all Alaska natives of Indian, Aleut, or Eskimo descent, who live in a designated health service area are eligible for all IHS services free of charge. Non-Indian wives are eligible for services during pregnancy and the postpartum period.

To the extent resources permit, IHS provides a full range of medical services. Benefits include inpatient and outpatient hospital care, laboratory and dental services, the services of mobile clinics and public health nurses. Resources are used to build and renovate medical facilities and to provide for safe drinking water and sanitary waste disposal. Special initiatives are directed at improving mental health and alcoholism services, and preventive care such as screening for diseases and immunizations.

The legislative history of the IHS indicates that the Indian population lags behind the overall U.S. population on such key health indicators as life expectancy, incidence of injuries, and persistence of infectious diseases, particularly among newborns. In recent years, the self-help concept of the Tribal Management Program has assisted tribes in their efforts to operate their own health programs.

II. ADMINISTRATION

A. Program name: Indian Health Service.

B. Catalog of Federal Domestic Assistance No.: 13.228
Budget account number(s): 75-0390-0-1-551

C. Current authorizing statutes: Snyder Act 25 U.S.C. 13; Indian Self-Determination Act 25 U.S.C. 450; Indian Health Care Improvement Act 25 U.S.C. 1601-1680; Indian Hospitals and Health Facilities (also known as "The Transfer Act") 42 U.S.C. 2001-2005f.

D. Location of program regulations in the Code of Federal Regulations: 42 CFR 36.

E. Federal administering agency: Health Resources and Services Administration (HRSA), Public Health Service, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: Tribal organizations; private nonprofit organizations; private for-profit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: Tribal organizations; private nonprofit organizations; private for-profit organizations.

H. Allocation of federal funds.

Funding is made available by appropriation, not through entitlement. The IHS delivers health care services and contracts with tribal organizations and the private sector to provide health care services. Funds are allocated through eleven Area Offices, which in turn provide administrative support to the IHS hospitals and health centers.

Where tribal organizations act as contractors, services contracted by a tribe under a Pub. L. 93-638 contract are based on what the Secretary of DHHS would have otherwise spent operating that program.

I. Role of state and local governments in administering the program.

The direct federal responsibility for Indian affairs is based on the Constitution, treaties, and court decisions. State and local governments have no role in the administration of IHS programs on Indian reservations. Tribal governments are increasingly assuming responsibility for administering programs that otherwise would be operated by the IHS.

J. Audit or quality control.

The legal responsibility for contracts rests with the Contracting Officer (usually at the Area Office), who delegates certain authority to the Project Officer (usually the consultant for that particular discipline or service) and holds the Project Officer accountable for exercising that authority properly. The Project Officer monitors technical performance and reports any potential or actual problems to the Contracting Officer.

Contract monitoring varies considerably both in intensity and in methodology, depending on the importance and size of the contract effort, as well as the type of contract. The Indian Health Service currently administers 367 Pub. L. 93-638 contracts that range from single to multi-service contracts.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The basic authority for IHS to provide services to Indians is the Snyder Act which authorizes the expenditure of funds "for relief of distress and conservation of health" of "Indians throughout the United States."

Under the Indian Health Care Improvement Act, a major goal is providing health services which will permit the health status of Indians to be raised to the highest possible level and to encourage the maximum participation of Indians in the planning and management of these services.

B. Allocation of program funds among activities.

Administratively, the IHS is divided into eleven Area Offices. Each area and program office is responsible for operating the IHS program within its designated geographic area.

Appropriate resources have been used for the purpose of direct and contract care operations, to expand health services, build and renovate medical facilities, and step-up the construction of safe drinking water and sanitary disposal facilities.

Special initiatives are directed at improving mental health services, alcoholism services, disease prevention and health promotion activities (including Hepatitis B screening and immunization programs), and sanitation programs.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual Indians are eligible. Indian eligibility rests on factors such as: "... tribal membership, enrollment, residence on tax exempt land, ownership of restricted property, active participation in tribal affairs, or other relevant factors ..." Approximately 963,000 Americans of Indian descent are currently eligible to receive health services from the Indian Health Service.

Urban (Title V) programs serve Indians who reside in an urban center and who meet one of the following criteria:

- Irrespective of whether he or she lives on or near a reservation, is a member of a tribe, band, or other organized group of Indians including those tribes, bands, or groups terminated since 1940 and those recognized now or in the future by the state in which they reside, or who is a descendant, in the first or second degree, of any such member;
- Is an Eskimo or Aleut or other Alaska Native;
- Is considered by the Secretary of the Interior to be an Indian for any purpose;
- Is determined to be an Indian under regulations promulgated by the Secretary.

IHS regulations do not prohibit urban programs from serving non-Indians, and funding from other sources often requires urban Indian programs to serve certain populations that include non-Indians (e.g., non-Indian family members). IHS does require that the number of Indians served by each program be proportional to the amount of money provided by IHS.

B. Income eligibility standards.

Legislation governing the Indian Health Service does not require a means-test to determine who should receive medical care.

C. Other eligibility requirements.

None.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Most Indian health care facilities and programs are on or near a reservation. It is the policy and practice to serve eligible Indians in need of medical care who present themselves at IHS facilities. The 1984 caseload was approximately 620,000 patients.

B. Program benefits or services.

To the extent resources permit, American Indians and Alaska Natives served by the IHS receive a full range of preventive, primary medical (hospital and ambulatory), community health, and rehabilitative services through IHS directly or indirectly, through contract clinics and hospitals. Services include dental services, mental health services, alcoholism services, and a variety of disease prevention and sanitation programs.

Since the transfer of Indian Health programs from the Department of Interior to the Public Health Service in 1955, this comprehensive health delivery system has developed into two basic modes of delivery. Direct health services are provided through the operation of 45 hospitals, 72 health centers, and several hundred smaller health stations and satellite clinics. The tribal health delivery system administered by tribes and tribal groups through contracts with the IHS operates six hospitals and approximately 300 health clinics. The purchase of medical care from non-IHS and non-tribal providers is designated contract health services. Contract health services represent supplemental services either not available in IHS' direct or tribal facilities or in locations where no IHS or tribal facility exists. The IHS has approximately 1,300 contracts with private providers (primarily for the delivery of specialty care). In addition, various clinical and referral services are provided to Indians in urban settings through 35 urban health projects.

This complex system provides high quality preventive, curative, rehabilitative, and environmental health services to the eligible Indian and Alaska Native population. The "hospital and health clinics" budget component is the primary funding source for the delivery of inpatient and ambulatory general patient care, psychiatry, ophthalmology, diabetes program, emergency medical services, laboratory, and radiology and other special services.

Preventive health services are provided through the Environmental Health, Public Health Nursing, Health Education, Community Health Representative and Hepatitis B Screening and Immunization programs. These programs include such services as community injury control, water supply surveillance, prenatal care, maternal and child health services, well child clinics, family planning, care of high risk mothers and infants, school health, and immunizations.

C. Duration of benefits.

There is no information available about average duration of participation. However, unlike means-tested programs, the only eligibility criterion is status as an Indian. Individual Indians may remain eligible for their lifetime.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

None.

B. Counting assistance from other programs.

An Indian is potentially eligible for other benefits, e.g., Medicaid, Medicare, and other third-party health care programs. Where that occurs, reimbursement is requested.

C. Overlapping authorities and benefits.

Other programs providing similar services to the Indian population are the Veterans Administration (for the veteran only and not the Indian veteran's family), Medicare, and Medicaid. There is no duplication with Medicare and Medicaid because they reimburse the provider of services, including the IHS if an IHS facility provides the service.

Indian programs are carefully managed to expend resources only after all other alternatives are utilized. Maternal and Child Health (MCH) and other state based services are used when eligibility exists, but does not duplicate Indian services.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Select Committee on Indian Affairs

House of Representatives

Committee on Interior and Insular Affairs

B. Appropriating subcommittees.

Senate

Subcommittee on the Interior

House of Representatives

Subcommittee on the Interior

C. Other committees and subcommittees holding hearings on this program within the past two years.

House of Representatives

Committee on Energy and Commerce
  Subcommittee on Health and the Environment.

D. Federal legislation.

The Snyder Act of 1921, provided the basic authority (beyond treaty obligations) to provide health services to Indians.

The Transfer Act of 1954, Pub. L. 83-568, transferred responsibility for Indian Health services from the Department of the Interior to the Department of Health, Education, and Welfare.

The Indian Sanitation Facilities Act, Pub. L. 86-121, authorized the provision of domestic water supply and distribution systems, waste collection and disposal facilities and other essential sanitation facilities for Indian homes and communities. These facilities are built by the IHS or by the tribe under agreement with the IHS. The tribes assume operation and maintenance responsibility once the facilities are completed.

The Indian Self-Determination and Education Assistance Act, Pub. L. 93-638, specifically gave Indian tribes and Alaska Native groups the option of managing and operating health care programs in their communities.

The Indian Health Care Improvement Act, Pub. L. 94-437, was intended to elevate the health status of Indians and Alaska Natives to a level equal to that of the general population through a seven-year program of authorized higher resource levels in the IHS budget. This provided for new initiatives in health manpower, the eligibility of IHS facilities for Medicare and Medicaid reimbursement, and urban health programs.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands) (1)
13.228 INDIAN HEALTH SERVICE

	Benefits	Administration	"OTHER" Funds Spent Under This Program Authority	Total	(2)
United States	$575,376	$57,988	$17,268	$650,632	
Alabama					
Alaska	$90,053	$7,168	$2,651	$99,872	
Arizona	$112,250	$12,396	$3,398	$128,044	
Arkansas					
California	$25,709	$1,716	$748	$28,172	
Colorado	$1,837		$50	$1,887	
Connecticut					
Delaware					
D. C.					
Florida	$2,470		$67	$2,537	
Georgia					
Hawaii					
Idaho	$5,890		$161	$6,051	
Illinois					
Indiana					
Iowa	$507		$14	$521	
Kansas	$1,963		$54	$2,017	
Kentucky					
Louisiana	$823		$22	$846	
Maine	$2,374	$8,013	$283	$10,670	
Maryland	$3,357		$92	$3,448	
Massachusetts	$253		$7	$260	
Michigan	$4,687		$128	$4,815	
Minnesota	$16,395	$1,783	$496	$18,673	
Mississippi	$5,194		$142	$5,335	
Missouri					
Montana	$32,909	$3,763	$1,000	$37,672	
Nebraska	$5,890		$161	$6,051	
Nevada	$5,637		$154	$5,791	
New Hampshire					
New Jersey					
New Mexico	$72,720	$7,527	$2,188	$82,435	
New York	$4,370		$119	$4,489	
N. Carolina	$6,650		$181	$6,832	
N. Dakota	$14,757		$402	$15,160	
Ohio					
Oklahoma	$72,080	$4,874	$2,098	$79,052	
Oregon	$8,573	$3,588	$332	$12,492	
Pennsylvania					
Rhode Island	$190		$5	$195	
S. Carolina					
S. Dakota	$35,720	$5,385	$1,121	$42,226	
Tennessee	$252	$1,775	$55	$2,082	
Texas	$63		$2	$65	
Utah	$2,787		$76	$2,863	
Vermont					
Virginia					
Washington	$22,864		$623	$23,488	
W. Virginia					
Wisconsin	$9,880		$269	$10,150	
Wyoming	$6,270		$171	$6,441	
Guam					
Puerto Rico					
Virgin Islands					

Data Sources: Health Resources and Services Administration

(1) The IHS is exclusively a Federal operation; for purposes of this table, funds are prorated to States on the basis of where the funds are spent.
(2) The total does not agree with Table XI because it is based on obligations rather than outlays.

VIII B. TOTAL FY 84 PROGRAM SPENDING (in thousands) (1)
13.228 INDIAN HEALTH SERVICE

	Benefits	Administration	"OTHER" Funds Spent Under This Program Authority	Total	(2)
United States	$486,502	$62,012	$36,376	$584,890	
Alabama					
Alaska	$75,528	$7,281	$5,492	$88,301	
Arizona	$96,247	$11,240	$7,128	$114,616	
Arkansas					
California	$12,613	$8,226	$1,382	$22,221	
Colorado	$1,645		$109	$1,755	
Connecticut					
Delaware					
D. C.					
Florida	$2,742		$182	$2,924	
Georgia					
Hawaii					
Idaho	$4,387		$291	$4,678	
Illinois					
Indiana					
Iowa	$549		$36	$585	
Kansas	$1,645		$109	$1,755	
Kentucky					
Louisiana	$549		$36	$585	
Maine	$1,645		$1,564	$25,145	
Maryland	$15,744	$7,838	$109	$1,755	
Massachusetts	$108		$7	$116	
Michigan	$3,290		$218	$3,508	
Minnesota	$12,555	$1,704	$946	$15,204	
Mississippi	$4,388		$291	$4,679	
Missouri					
Montana	$26,813	$3,897	$2,037	$32,747	
Nebraska	$5,484		$364	$5,848	
Nevada	$6,032		$400	$6,432	
New Hampshire					
New Jersey					
New Mexico	$61,390	$7,161	$4,546	$73,097	
New York	$3,839		$255	$4,093	
N. Carolina	$5,484		$364	$5,848	
N. Dakota	$12,613		$836	$13,450	
Ohio					
Oklahoma	$59,503	$4,660	$4,255	$68,418	
Oregon	$5,997	$3,326	$618	$9,941	
Pennsylvania					
Rhode Island					
S. Carolina					
S. Dakota	$28,967	$5,034	$2,255	$36,256	
Tennessee	$0	$1,645	$109	$1,755	
Texas					
Utah	$2,193		$145	$2,339	
Vermont					
Virginia					
Washington	$20,839		$1,382	$22,221	
W. Virginia					
Wisconsin	$8,774		$582	$9,356	
Wyoming	$4,935		$327	$5,263	
Guam					
Puerto Rico					
Virgin Islands					

Data Sources: Health Resources and Services Administration

(1) The IHS is exclusively a Federal operation; for purposes of this table, funds are prorated to States on the basis of where the funds are spent.
(2) The total does not agree with Table XI because it is based on obligations rather than outlays.

IX. A. FY 85 RECIPIENT CHARACTERISTICS (1)
13.228 INDIAN HEALTH SERVICE

	All Persons Eligible	Elderly	Handicapped or Disabled
United States	963,294	74,378	65,413
Alabama	2,704	218	225
Alaska	73,798	4,827	3,117
Arizona	174,998	11,520	10,277
Arkansas		5,616	
California	75,672	153	6,489
Colorado	3,048	82	209
Connecticut	840		73
Delaware			
D. C.			
Florida	6,012	517	508
Georgia			
Hawaii			
Idaho	7,704	526	573
Illinois			
Indiana			
Iowa	2,094	120	157
Kansas	3,312	258	267
Kentucky			
Louisiana	1,192	92	89
Maine	2,652	166	241
Maryland			
Massachusetts			
Michigan	9,117	570	838
Minnesota	19,654	1,237	1,408
Mississippi	4,701	316	405
Missouri			
Montana	35,625	2,427	1,938
Nebraska	4,472	309	353
Nevada	15,158	1,127	941
New Hampshire			
New Jersey			
New Mexico	116,370	7,912	5,066
New York	10,421	976	859
N. Carolina	6,154	491	502
N. Dakota	19,953	1,201	1,054
Ohio			
Oklahoma	191,140	22,572	16,503
Oregon	29,008	1,808	2,982
Pennsylvania	71	7	8
Rhode Island	1,243	151	120
S. Carolina			
S. Dakota	47,235	3,240	2,795
Tennessee			
Texas	766	58	56
Utah	10,491	365	490
Vermont			
Virginia			
Washington	62,562	4,069	5,292
W. Virginia			
Wisconsin	19,468	1,369	1,298
Wyoming	5,649	278	282
Guam			
Puerto Rico			
Virgin Islands			

Data Sources: Health Resources and Services Administration

(1) Persons eligible for IHS services based on adjusted U.S. Census figures. Recipient data by State are not available.

IX. B. FY 84 RECIPIENT CHARACTERISTICS (1)
13.228 INDIAN HEALTH SERVICE

	All Persons Served	Elderly	Handicapped or Disabled
United States	937,608	72,612	63,705
Alabama	2,695	217	224
Alaska	71,640	4,686	3,026
Arizona	170,220	11,206	9,996
Arkansas			
California	73,684	5,496	6,319
Colorado	2,999	150	206
Connecticut	831	81	72
Delaware			
D. C.			
Florida	5,957	512	504
Georgia			
Hawaii			
Idaho	7,563	517	517
Illinois			
Indiana			
Iowa	2,043	117	153
Kansas	3,251	253	262
Kentucky			
Louisiana	1,169	90	87
Maine	2,992	187	272
Maryland			
Massachusetts			
Michigan	8,945	559	822
Minnesota	18,968	1,194	1,359
Mississippi	4,584	308	395
Missouri			
Montana	34,604	2,357	1,882
Nebraska	4,338	300	342
Nevada	14,719	1,094	914
New Hampshire			
New Jersey			
New Mexico	113,386	7,709	4,936
New York	10,264	962	846
N. Carolina	6,047	481	492
N. Dakota	18,518	1,114	978
Ohio			
Oklahoma	186,294	21,999	16,085
Oregon	28,031	1,747	2,881
Pennsylvania	70	7	8
Rhode Island	1,224	148	118
S. Carolina			
S. Dakota	45,950	3,152	2,719
Tennessee			
Texas	759	38	55
Utah	10,238	356	479
Vermont			
Virginia			
Washington	61,150	3,977	5,173
W. Virginia			
Wisconsin	19,013	1,337	1,266
Wyoming	3,462	268	272
Guam			
Puerto Rico			
Virgin Islands			

Data Sources: Health Resources and Services Administration

(1) Persons eligible for IHS services based on adjusted U.S. Census figures. Recipient data by State are not available.

XI. HISTORICAL DATA (Dollars in thousands)
13.228 INDIAN HEALTH SERVICE

Federal Fiscal Year	Total Federal Outlays	Persons Eligible
1985	$812,900	963,294
1984	$789,900	937,608
1983	$692,000	902,922
1982	$653,900	870,830
1981	$679,500	849,173
1980	$636,600	828,609
1979	$555,400	790,486
1978	$467,200	726,551
1977	$395,300	635,313
1976	$332,500	611,296
1975	$282,800	587,468
1974	$216,100	557,747
1973	$197,600	531,314
1972	$169,600	507,804
1971	$143,000	483,840
1970	$119,700	459,996
1969	$107,400	450,390
1968	$84,300	432,751
1967	$83,300	425,397
1966	$74,800	426,101
1965	$71,400	415,806
1964	$65,700	407,596
1963	$62,500	400,694
1962	$61,700	393,732
1961	$57,800	384,364
1960	$54,700	380,193

Data Sources: Outlay data from the Office of Management and Budget.
Eligible persons data from Health Resources and Services Administration.

MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

I. PROGRAM SUMMARY

The Maternal and Child Health (MCH) Services Block Grant helps states assure that mothers and children -- in particular, those with low incomes or with limited access to health services -- have access to quality maternal and child health services. States plan and administer their own programs and, under the block grant approach adopted in 1981, act as primary interpreters of the federal MCH law, assess their own needs, and allocate funds accordingly. States may carry out the program directly or subgrant to local governments or private nonprofit organizations as they deem appropriate.

Under the matching requirement for MCH funding, states must provide three dollars for every four federal dollars allocated. In FY 1985, federal allocations of $478 million were matched by about $305 million in state funds. Between 10 and 15 percent of the federal appropriation is retained at the federal level to fund special projects of regional and national significance such as research on genetic diseases and hemophilia.

In determining eligibility, states are required to use the federal poverty guidelines to identify low income mothers and children. No charges for services rendered to such persons may be imposed. All other eligibility criteria for mothers and children are determined on a state-by-state basis.

The MCH statute is prevention oriented and the program is designed to help states reduce infant mortality, preventable diseases, and handicapping conditions. Funds may be used for immunization, for prenatal and postnatal care, for locating and treating crippled children, and for diagnostic and treatment services targeted on high-risk women and infants. Under their broad authority to promote the health of mothers and children, states also use MCH funds for standards development, quality assurance, health education, and other activities.

When MCH was converted into a block grant in 1981, eight categorical programs were consolidated. In addition to the former Maternal and Child Health Services program, the programs replaced by the MCH Block Grant include crippled children's services, testing and counseling lead-based paint poisoning prevention, genetic diseases, sudden infant death syndrome, hemophilia diagnostic and treatment centers, disabled children receiving SSI benefits, and adolescent pregnancy prevention. This consolidation of programs has reduced administrative burdens and has given states more flexibility to assign priorities.

II. ADMINISTRATION

A. Program name: Maternal and Child Health Services Block Grant.

B. Catalog of Federal Domestic Assistance No.: 13.994
Budget account number(s): 75-0350-0-1-551.

C. Current authorizing statute: Title V, Social Security Act.

D. Location of program regulations in the Code of Federal Regulations: 45 CFR Part 96.

E. Federal administering agency: Division of Maternal and Child Health, Bureau of Heath Care Delivery, Health Resources and Services Administration, Public Health Service, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: States; the insular areas.

G. Subgrantee (if any) receiving program funds to provide benefits: Counties; cities; tribal organizations; private nonprofit organizations.

H. Allocation of federal funds.

Allocations are made on a quarterly basis to the State Health Agency or designated unit. Funds are allocated according to set percentages. Each state's percentage share is based on the dollars received in 1981 by the state for those programs consolidated into the block grant compared with the national total for those programs. The Governor of each state identifies which health agency or component thereof should receive the block grant.

States must provide three dollars for every four federal dollars allocated.

I. Role of state and local governments in administering the program.

The state is the grantee. It plans and administers the statewide maternal and child health and crippled children's programs. The state assesses needs and allocates resources. States may carry out programs directly or subgrant as they deem appropriate.

J. Audit or quality control.

States submit an annual report based on the requirements of the law. There is no format for the report, states are guided by the statute. States must perform their own audit based on GAO guidelines.

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III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The purpose is to enable each state to assure mothers and children (in particular those with low incomes or with limited availability of health services) access to quality maternal and child health services. Additionally, states are provided with a broad authority to promote the health of mothers and children. States apply this authority as a basis for using federal and state MCH funds for standards development, health education, planning, quality assurance, school health activities, etc.

B. Allocation of program funds among activities.

States assess their needs and allocate funds accordingly. States are guided by the statute in assessing needs as there are no guidelines or policies established by the federal agency. This is reflective of the block grant program philosophy. At no time does the federal agency question the needs assessment methods utilized by the state agency. The state is required to assure that it is distributing funds fairly based on a needs assessment.

Grants are made to help states reduce infant mortality, preventable diseases, handicapping conditions and the need for in-patient and long-term care. Funds may be used for immunization, for prenatal care, for locating and treating crippled children and for other diagnostic and treatment services, especially those of a preventive nature.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual mothers and children.

B. Income eligibility standards.

In applying the statutory term "low income," states are to use the poverty income guidelines annually established by the OMB.

States carry out a variety of activities - health standards development, health education, public information, planning and data activities, school health, etc., which affect all income levels.

C. Other eligibility requirements.

None.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Services are provided without charge to mothers and children with incomes under poverty. Fees to others must be established by the state or local provider.

V. BENEFITS AND SERVICES

A. Program intake processes.

These are determined separately for each state. Data are not collected on these processes. States or localities may advertise availability, outreach workers may seek high risk mothers or children, and/or referrals may be made by health or social service professionals.

B. Program benefits and services.

The full range of health services required to maintain and improve maternal and child health -- prenatal and postnatal care, immunization, family planning, health assessments for children, nutrition education, diagnosis and treatment of crippling conditions, etc.

Organizations eligible to provide services include state and local health agencies, hospitals, and clinics, private hospitals and clinics, and other nonprofit agencies.

C. Duration of benefits.

No information is available.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

None.

B. Counting assistance from other programs.

Rules for counting income are established by each state.

C. Overlapping authorities and benefits.

Medicaid pays for medical care for much of the low income population. Health programs which organize and deliver care seek to collect reimbursement for services from such programs. The MCHBG is a residual payment program. State MCH activities seek reimbursement from Medicaid, the Title XX Social Services Block Grant, and private insurance. They also plan and allocate resources in cooperation with other state health and social agencies. State Crippled Children's Programs cooperate with Department of Education programs dealing with children with special needs.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Finance
    Subcommittee on Health

House of Representatives

Committee on Energy and Commerce
    Subcommittee on Health and Environment

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.
None.

D. Federal legislation.

The program was preceded by the Children's Bureau in 1912 and a state grant authority, the Sheppard-Towner Act, which expired in 1929. Since 1935, Title V of the Social Security Act has provided the program's legislative base. Various expansions have occurred over the years, but its basic pattern remains unchanged as a state-based, grant-in-aid program with special project development, leadership initiatives and technical assistance from headquarters and regional staff. The Omnibus Budget Reconciliation Act of 1981 created its block grant status.

E. Major federal implementing regulations and regulatory changes.

The block grant regulations expanded the responsibility and authority of the state agency. The July 6, 1982 Federal Register contains the only federal implementing regulations for the MCHBG program.

The preamble to the regulations states: "The Secretary has determined that the Department should implement the block grant programs in a manner that is fully consistent with the Congressional intent to enlarge the states' ability to control use of the funds involved.... The states will...be subject only to the statutory requirements, and the Department will carry out its functions with due regard for the limited nature of the role that Congress has assigned to us."

Consistent with the block grant approach, the regulation states, "...a state shall obligate and expend block grant funds in accordance with the laws and procedures applicable to obligation and expenditure of its own funds." The states are primarily responsible for interpreting the governing statute; the Department defers to the state's interpretation of the statute unless the interpretation is clearly erroneous.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands) (1)
13.994 MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

	Federal		State-local		Total	(2)
United States	$478,000	(3)	$304,725	(4)	$782,725	
Alabama	$8,809		$6,607		$15,416	
Alaska	$845		$634		$1,479	
Arizona	$4,144		$3,108		$7,252	
Arkansas	$5,310		$3,983		$9,293	
California	$23,415		$17,561		$40,976	
Colorado	$5,713		$4,285		$9,998	
Connecticut	$3,677		$2,758		$6,435	
Delaware	$1,649		$1,237		$2,886	
D. C.	$6,436		$4,827		$11,263	
Florida	$11,913		$8,935		$20,848	
Georgia	$11,872		$8,904		$20,776	
Hawaii	$1,767		$1,325		$3,092	
Idaho	$2,576		$1,932		$4,508	
Illinois	$16,130		$12,098		$28,228	
Indiana	$9,377		$7,033		$16,410	
Iowa	$5,461		$4,096		$9,557	
Kansas	$3,669		$2,752		$6,421	
Kentucky	$8,813		$6,610		$15,423	
Louisiana	$9,536		$7,152		$16,688	
Maine	$2,856		$2,142		$4,998	
Maryland	$10,032		$7,524		$17,556	
Massachusetts	$9,178		$6,884		$16,062	
Michigan	$14,497		$10,873		$25,370	
Minnesota	$7,468		$5,601		$13,069	
Mississippi	$7,224		$5,418		$12,642	
Missouri	$9,629		$7,222		$16,851	
Montana	$1,897		$1,423		$3,320	
Nebraska	$3,307		$2,480		$5,787	
Nevada	$999		$749		$1,748	
New Hampshire	$1,682		$1,262		$2,944	
New Jersey	$8,878		$6,659		$15,537	
New Mexico	$2,893		$2,170		$5,063	
New York	$29,977		$22,483		$52,460	
N. Carolina	$12,758		$9,569		$22,327	
N. Dakota	$1,520		$1,140		$2,660	
Ohio	$17,040		$12,780		$29,820	
Oklahoma	$5,229		$3,922		$9,151	
Oregon	$4,729		$3,547		$8,276	
Pennsylvania	$19,092		$14,319		$33,411	
Rhode Island	$1,276		$957		$2,233	
S. Carolina	$9,032		$6,774		$15,806	
S. Dakota	$1,820		$1,365		$3,185	
Tennessee	$8,687		$6,515		$15,202	
Texas	$20,770		$15,578		$36,348	
Utah	$5,042		$3,782		$8,824	
Vermont	$1,459		$1,094		$2,553	
Virginia	$9,747		$7,310		$17,057	
Washington	$6,574		$4,931		$11,505	
W. Virginia	$5,193		$3,895		$9,088	
Wisconsin	$8,857		$6,643		$15,500	
Wyoming	$1,020		$765		$1,785	
Guam	$565		$424		$989	
Puerto Rico	$11,775		$8,831		$20,606	
Virgin Islands	$1,109		$832		$1,941	
American Samoa	$366		$275		$641	
No Marianas	$345		$259		$604	
Trust Territory	$666		$500		$1,166	

Data Sources: Annual allocation tables - Maternal and Child Health Block Grant.

(1) Obligations for administration at the federal level chargeable to this budget account for FY 85 were: $4,000(000).
(2) A breakdown of spending for benefits or services and administration is not available.
(3) National total includes funds not distributed to states by formula but used to fund special projects of regional and national significance.
(4) Assumes statutory matching rate.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands) (1)
13.994 MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

	Federal		State-local		Total	(2)
United States	$399,000	(3)	$299,250	(4)	$698,250	
Alabama	$7,353		$5,515		$12,868	
Alaska	$705		$529		$1,234	
Arizona	$3,459		$2,594		$6,053	
Arkansas	$4,433		$3,325		$7,758	
California	$19,545		$14,659		$34,204	
Colorado	$4,768		$3,576		$8,344	
Connecticut	$3,069		$2,302		$5,371	
Delaware	$1,377		$1,022		$2,399	
D. C.	$5,372		$4,029		$9,401	
Florida	$9,944		$7,458		$17,402	
Georgia	$9,910		$7,433		$17,343	
Hawaii	$1,475		$1,106		$2,581	
Idaho	$2,150		$1,613		$3,763	
Illinois	$13,464		$10,098		$23,562	
Indiana	$7,828		$5,871		$13,699	
Iowa	$4,558		$3,419		$7,977	
Kansas	$3,063		$2,297		$5,360	
Kentucky	$7,356		$5,517		$12,873	
Louisiana	$7,960		$5,970		$13,930	
Maine	$2,384		$1,788		$4,172	
Maryland	$8,374		$6,281		$14,655	
Massachusetts	$7,661		$5,746		$13,407	
Michigan	$12,101		$9,076		$21,177	
Minnesota	$6,234		$4,676		$10,910	
Mississippi	$6,030		$4,523		$10,553	
Missouri	$8,038		$6,029		$14,067	
Montana	$1,584		$1,188		$2,772	
Nebraska	$2,761		$2,071		$4,832	
Nevada	$834		$626		$1,460	
New Hampshire	$1,404		$1,053		$2,457	
New Jersey	$7,410		$5,558		$12,968	
New Mexico	$2,415		$1,811		$4,226	
New York	$25,022		$18,767		$43,789	
N. Carolina	$10,649		$7,987		$18,636	
N. Dakota	$1,268		$951		$2,219	
Ohio	$14,224		$10,668		$24,892	
Oklahoma	$4,365		$3,274		$7,639	
Oregon	$3,948		$2,961		$6,909	
Pennsylvania	$15,937		$11,953		$27,890	
Rhode Island	$1,065		$799		$1,864	
S. Carolina	$7,539		$5,654		$13,193	
S. Dakota	$1,519		$1,139		$2,658	
Tennessee	$7,251		$5,438		$12,689	
Texas	$17,337		$13,003		$30,340	
Utah	$4,209		$3,157		$7,366	
Vermont	$1,218		$914		$2,132	
Virginia	$8,136		$6,102		$14,238	
Washington	$5,487		$4,115		$9,602	
W. Virginia	$4,334		$3,251		$7,585	
Wisconsin	$7,393		$5,545		$12,938	
Wyoming	$851		$638		$1,489	
Guam	$471		$353		$824	
Puerto Rico	$9,829		$7,372		$17,201	
Virgin Islands	$926		$695		$1,621	
American Samoa:	$305		$229		$534	
No Marianas	$288		$216		$504	
Trust Territory	$556		$417		$973	

Data Sources: Annual allocations tables - Maternal and Child Health Block Grant.

(1) Obligations for administration at the federal level chargeable to to this budget account for FY 85 were $4,000(000).
(2) A breakdown of spending for benefits or services and administration is not available.
(3) National total includes funds used for special projects of regional and national signficance.
(4) Assumes statutory matching rate.

XI. HISTORICAL DATA (Dollars in thousands)
13.994 MATERNAL AND CHILD HEALTH SERVICES BLOCK GRANT

Federal Fiscal Year	Total Federal Allocations	Total State-Local Spending	(1)
1985	$478,000	$304,725	
1984	$399,000	$254,363	
1983	$478,000	$316,538	
1982	$373,750	$237,150	
1981	$387,400	$147,000	
1980	$378,343	$140,650	
1979	$377,677	$140,650	
1978	$361,854	$135,782	
1977	$345,708	$130,357	
1976	$319,408	$120,031	
1975	$303,340	$108,493	
1974	$287,868	$82,839	
1973	$256,868	$82,839	
1972	$234,636	$80,671	
1971	$218,285	$58,925	
1970	$221,510	$54,000	
1969	$209,200	$53,500	
1968	$179,900	$50,000	
1967	$173,900	$50,000	
1966	$139,000	$45,000	
1965	$88,000	$35,000	
1964	$66,500	$30,000	
1963	$50,000	$25,000	
1962	$50,000	$25,000	
1961	$38,167	$19,084	
1960	$33,500	$16,750	

Data Sources: 50 Years of Federal Support to Promote the Health of Mothers, Children and Handicapped Children in America (Oct. 1985)

(1) State spending is estimated based on statutory matching rate.

COMMUNITY HEALTH CENTERS

I. PROGRAM SUMMARY

Community Health Centers (CHCs) make ambulatory health care available to medically underserved populations. All CHCs are administered by the federal Department of Health and Human Services. Private nonprofit organizations receive funds to operate health centers located in areas short on personal health care services.

Criteria for determining what constitutes a medically underserved area take into account the comments of state and local officials and such other factors as infant mortality rates, the ability of residents to pay for health services, and the availability of health professionals in the area.

In FY 1985, about 5.1 million persons were served by CHCs and total federal obligations for the program were about $383 million. Grantees are expected to maximize revenues from such other sources as patient fees and public or private third-party payments (e.g., private insurance, Medicaid, Medicare, or the Social Services Block Grant). The amount of a grant to a health center is limited to the difference between the center's total operating costs and total revenues from other sources, which may include some state or local government funding.

All individuals residing in the area of a CHC are eligible for services. Fees for services vary: persons with incomes at or below the federal poverty guidelines pay at most nominal fees; persons with incomes equal to or above 200 percent of the guidelines are charged the full costs of services; persons with incomes between 100 and 200 percent of the guidelines pay a portion of the costs of services in accordance with a sliding fee schedule set by the CHC.

The CHCs include family health centers, community health networks, neighborhood health centers, and similar projects previously funded under the Economic Opportunity Act and other laws. Ambulatory health care delivery systems such as CHCs provide primary health services (such as physician and laboratory services), supplemental health services (such as home health and rehabilitative services), environmental health services (such as rodent control and water treatment), and information which promotes optimal use of health services.

II. ADMINISTRATION

A. Program name: Community Health Centers.

B. Catalog of Federal Domestic Assistance No.: 13.224
Budget account number(s): 75-0350-0-1-550.

C. Current authorizing statute: Section 330 of the Public Health Service Act.

D. Location of program regulations in the Code of Federal Regulations: 42 CFR Part 51c.

E. Federal administering agency: Health Resources and Services Administration, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: Private nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Federal funds are allocated by the Central Office of the Bureau of Health Care Delivery and Assistance (BHCDA) to ten Regional Offices given funding priorities based on assessments of need and demand.

Regional offices then:

- Decide which applicant centers to fund;
- Approve a level of program activity to be funded;
- Determine reasonable expenditures for approved activities.

Each center prepares a schedule of fees or payments designed to cover the costs of operation, each center has a corresponding schedule of discounts to be applied to the payment of such fees, with the discounts based on the patient's ability to pay.

The amount of a grant to a health center is limited to the difference between:

- The center's total operating costs;
- The total funds expected to be available from other sources (i.e., state, local and other funds, fees, premiums, and third-party reimbursements which the center may reasonably be expected to receive for its operations during the year).

Each center has a need for grant funds because it delivers ambulatory health care services to individuals who cannot pay full health care charges either with their own resources or through outside coverage (i.e., private insurance, Medicaid, Medicare, or Title XX). Some of the difference between costs and reimbursement for services will be covered by state, local, and other funds that the grantee receives. The CHC funds are used to subsidize the remaining portion of the difference. Grantees are expected to maximize revenues from other sources.

I. Role of state and local governments in administering the program.

Cooperative Agreements were competitively awarded to 20 states to coordinate federal and state efforts in the planning and development of comprehensive primary health care services for areas that lack adequate health manpower or have populations lacking access to primary care services.

J. Audit or quality control.

The CHC funds are intended to support delivery systems that are organized, structured, and operated in a manner that is consistent with legislative requirements and program priorities, are efficiently and effectively managed, and have the capability of reaching an increased number of users at a reasonable cost.

The federal government provides standards for administrative efficiency that pertain to grantees, in addition to standards for financial and clinical management. There are three indicators of administrative efficiency that grantees are expected to meet (or have waived, as appropriate) by the time they have been delivering services for two years:

- Encounters per staff equivalent (physician or mid-level practitioner, excluding psychiatrists) per year, for which the standard is between 4,200 and 6,000;
- Average cost per medical encounter (excluding lab, X-ray, and pharmacy), for which the standard is not more than $26;
- Percent of total ambulatory costs attributable to administration, for which the standard is not more than 16 percent.

If the standards are not met (and have not been waived), each case is evaluated individually to determine appropriate action. The grantee may be given a designated time period to achieve compliance. In general, failure to comply results in discontinuation of CHC funding.

During FY 1985, about 40 grantees were phased out. In most cases, health services continued to be available to medically undeserved persons in the geographic area because the grantee either merged with another grantee to form a stronger organization or continued to operate without benefit of federal grant support.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The program objective is to make ambulatory health care delivery systems available and accessible to medically underserved populations.

The term medically underserved population is an urban or rural area designated by the Department as having shortage of personal health services or a population group designated as having a shortage of such services. Criteria for determining shortages of personal health services for an area or population group include: the infant mortality rate; other factors indicative of health status; the ability of the residents of an area or of a population group to pay for health services and their accessibility to them; the availability of health professionals to residents of an area or to a population group.

Alternatively, a population group may be designated as medically underserved if such designation is recommended by the chief executive officer of the state in which the group is located and local officials of such state based on unusual local conditions which are a barrier to access to or the availability of personal health services.

B. Allocation of program funds among activities.

Program funds are allocated by approval of a level of program activity to be funded, focusing on essential and appropriate services, for each grantee. CHC funding is concentrated on the provision of primary health services.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individuals residing in the area of a community health center are eligible for program services.

B. Income eligibility standards.

There are no income limits used to determine eligibility for services at community health centers.

Grant funds may be used to pay the full cost of project services to individuals and families at or below federal poverty guidelines, except that such individuals may be required by centers to pay nominal fees. Grant funds also pay the portion of the cost of services that is discounted, and thus uncompensated, in accordance with the sliding fee schedule. Centers are required to have sliding fee schedules, but no discount is allowed for individuals and families with annual incomes greater than twice the federal poverty guidelines.

Using sample data from 1982, the estimated breakdown of users by income was as follows:

- Below poverty level: 58%
- Between poverty and 200 percent of poverty level: 26%
- Above 200 percent of poverty level: 16%

C. Other eligibility requirements.

None.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Recipients with income above poverty and below 200 percent the poverty guidelines are expected to pay discounted fees. Recipients with income above 200 percent of poverty pay full charges.

V. BENEFITS AND SERVICES

A. Program intake process.

It is intended that recipients will have the option to use the centers in a manner similar to that of others who do not face such availability and access limitations (i.e., for services ranging from check-ups to treatment). The strategy for bringing users into the program is center-specific.

B. Program benefits or services.

The CHCs provide ambulatory primary health care services and other services to address the needs of residents of medically underserved areas.

Ambulatory health care delivery systems provide: primary health services; supplemental health services necessary for support of primary health services; referrals to providers of supplemental health services and environmental health services; information which facilitates optimal use of health services.

The services are provided either through the staff and supporting services of the health center or through contracts or cooperative arrangements with other public or private entities.

Primary health services include: services of physicians, physicians' assistants, and nurse clinicians; diagnostic laboratory and radiologic services; preventive health services; emergency medical services; transportation services required for adequate patient care; preventive dental services; pharmaceutical services, as appropriate.

Supplemental health services include: home health services; extended care facility services; rehabilitative services; mental health services; dental services; vision services; allied health services; therapeutic radiologic services; public health services; ambulatory surgical services; health education services.

Environmental health services include, as appropriate, the detection and alleviation of unhealthful conditions associated with water supply, sewage treatment, solid waste disposal, rodent and parasitic infection, field sanitation, housing, and other factors related to health.

C. Duration of benefits.

Services are provided as required. No information about average duration of participation is available.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

None.

B. Counting assistance from other programs.

The CHC benefits that individuals receive do not increase or decrease due to changes in the amount of services received from other programs, but cash welfare may be counted in determining any fees. (Although, usually such recipients receive Medicaid coverage and would not pay fees.)

Nonetheless, maximization of other resources is emphasized and this may result in shifting the uses of CHC funds. Because CHC funds only cover services that are not funded by other sources, if revenues from a third-party payor increase in a particular grant year, fewer CHC dollars will be applied to support those specific services.

C. Overlapping authorities and benefits.

The CHC dollars support all or a portion of the cost of providing a particular service to an individual only if Medicare, Medicaid, or other third-party sources are not applicable and if the individual's income and family size make him eligible.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
(no formal Subcommittee)

House of Representatives

Committee on Energy and Commerce
Subcommittee on Health and the Environment

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

The Comprehensive Health Planning and Public Health Service Amendments of 1966 (Pub. L. 89-794) added a new Section 314 to the Public Health Service Act to provide the flexibility and innovation in the delivery of health services throughout the nation. Section 314(e) provided broad authority to fund project grants to public or nonprofit private entities for the development of health services delivery programs.

Section 314(e) support became focused on comprehensive ambulatory health care programs serving areas with scarce or nonexistent health care services and populations with special health needs. All of the Public Health Service's Neighborhood Health Centers, as well as those transferred from the Office of Economic Opportunity, were under this authority.

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Because of demonstrations of positive program impact and because the need for services provided by community health centers remained significant, in 1975 Congress replaced the 314(e) authority with a specific new authority (Section 330 of the Public Health Service Act) for the sole purpose of developing community health centers (Pub. L. 94-63).

The one-year extension of community health center programs for FY 1978 (Pub. L. 95-83), at an increased authorization level, allowed the Rural Health Initiative and the Urban Health Initiative programs to continue to be expanded to serve increased numbers of people in high priority medically underserved areas.

In November 1978, Pub. L. 95-626 extended the CHC program for FY 1979, 1980, and 1981 and made several significant revisions to the basic CHC authority. These included: a new emphasis on environmental health services and pharmaceutical services; authority for CHCs to convert to prepaid health care organizations; exception for public CHCs from certain governing board requirements; and a requirement for a rough balance between the number of urban and rural centers.

Section 903(a) of the Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35) extended the CHC program through FY 1982. In addition, Pub. L. 97-35 established the Primary Care Block Grant (PCBG) program for FY 1983 and 1984. This law allowed states to apply to the Secretary for an allotment of CHC funds. If the Secretary approved the application, the states assumed responsibilities of making grants to CHCs which meet the requirements of Section 330. Because of various administrative provisions of the PCBG authority, few states applied for this authority and opted instead, as provided in the statute, to continue to receive funding under the CHC authority.

In 1986, Pub. L. 99-280 repealed the PCBG authority, but included provisions for an increased participation of state and local officials in the designation and redesignation of medically underserved areas and provided specific authority for states to contract with the Public Health Service to participate in planning and administrative or management systems for CHCs within the state.

E. Major federal implementing regulations and regulatory changes.

In March 1972, final regulations on Grants for Family Health Center projects were published. These regulations (since repealed) implemented a program of health care delivered on a prepaid capitation basis enrolled populations in health service scarcity areas. This program was carried out under the broad authority of Section 314(e) of the Public Health Service Act. The use of the Section 314(e) authority for this purpose was criticized by the Congress; it was eventually repealed and replaced by the Community Health Center (CHC) program, with specific Section 330 authority.

New final regulations to cover Community Health Centers were published in December 1976 (42 CFR 51c). These regulations established general administrative, management, and operating requirements for CHC and provided for the assignment of the National Health Service Corps physicians to new CHC projects. In the same month, regulations were published to implement the section of Pub. L. 94-63 regarding acquisition and modernization of existing buildings for CHC.

A November 1977 revision to the regulations allowed public agencies which would have had trouble meeting governing board requirements to apply for CHC grants or to be co-applicant with an organization which does meet the governing board requirements.

A Notice of Proposed Rulemaking in March 1979 published the minimum components of a quality assurance system and a description of efficiency indicators which would be used to evaluate grant applications and monitor performance.

The final regulations published in July 1982 and amended in March 1983 provided general provisions governing the Primary Care Block Grant program, as added by the Omnibus Budget Reconciliation Act of 1981. Separate program regulations were developed but never issued due to the uncertain future of the block grant program.

A December 1982 Notice gave procedural advice in carrying out the requirement of the Omnibus Budget Reconciliation Act in cases where the state does not request a block grant. It provided a requirement that the Secretary consult with the chief executive officer of the state before awarding a CHC grant within the state.

A February 1986 Notice of Available Funding lists requirements which must be met by successful applicants. For example, the requirement for a governing board to be representative of CHC users, requirements for accessible services, sufficient staff, coordination with local health resources, and justification of the CHC's proposed costs.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (In thousands)
13.224 COMMUNITY HEALTH CENTERS

	Total (1)	
United States	$381,687	(2)
Alabama	$11,915	
Alaska	$693	
Arizona	$5,494	
Arkansas	$4,187	
California	$29,983	
Colorado	$12,498	
Connecticut	$2,644	
Delaware	$291	
D. C.	$2,725	
Florida	$20,913	
Georgia	$11,848	
Hawaii	$1,125	
Idaho	$2,448	
Illinois	$16,750	
Indiana	$2,291	
Iowa	$1,726	
Kansas	$196	
Kentucky	$7,384	
Louisiana	$3,206	
Maine	$3,010	
Maryland	$7,256	
Massachusetts	$6,062	
Michigan	$8,715	
Minnesota	$1,847	
Mississippi	$13,035	
Missouri	$13,387	
Montana	$573	
Nebraska	$378	
Nevada	$983	
New Hampshire	$414	
New Jersey	$10,752	
New Mexico	$7,684	
New York	$32,868	
N. Carolina	$12,228	
N. Dakota	$90	
Ohio	$14,180	
Oklahoma	$2,833	
Oregon	$3,944	
Pennsylvania	$17,377	
Rhode Island	$3,312	
S. Carolina	$10,279	
S. Dakota	$1,474	
Tennessee	$12,726	
Texas	$22,548	
Utah	$1,551	
Vermont	$497	
Virginia	$4,241	
Washington	$6,120	
W. Virginia	$6,748	
Wisconsin	$4,822	
Wyoming	$0	
Guam	$322	
Puerto Rico	$10,495	
Virgin Islands	$619	

Data Sources: Health Resources and Services Administration.

(1) Outlays for administration at the federal level for FY 85 were $14,071(000).
(2) Difference between US total and total if all states are summed are dollars going to activities not attributable to a specific state.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (In thousands)
13.224 COMMUNITY HEALTH CENTERS

		Total (1)	
United States		$350,598	(2)
Alabama		$10,238	
Alaska		$571	
Arizona		$6,013	
Arkansas		$3,832	
California		$31,398	
Colorado		$13,867	
Connecticut		$2,467	
Delaware		$160	
D. C.		$2,457	
Florida		$18,438	
Georgia		$8,616	
Hawaii		$1,298	
Idaho		$2,150	
Illinois		$12,673	
Indiana		$2,308	
Iowa		$1,493	
Kansas		$182	
Kentucky		$7,080	
Louisiana		$2,093	
Maine		$2,955	
Maryland		$6,397	
Massachusetts		$5,359	
Michigan		$7,677	
Minnesota		$1,756	
Mississippi		$10,450	
Missouri		$12,894	
Montana		$309	
Nebraska		$515	
Nevada		$1,126	
New Hampshire		$268	
New Jersey		$9,434	
New Mexico		$6,084	
New York		$35,771	
N. Carolina		$9,519	
N. Dakota		$226	
Ohio		$12,627	
Oklahoma		$2,917	
Oregon		$4,134	
Pennsylvania		$15,678	
Rhode Island		$2,860	
S. Carolina		$10,671	
S. Dakota		$1,489	
Tennessee		$11,020	
Texas		$19,224	
Utah		$1,430	
Vermont		$418	
Virginia		$4,271	
Washington		$5,735	
W. Virginia		$5,340	
Wisconsin		$3,481	
Wyoming		$0	
Guam		$0	
Puerto Rico		$10,702	
Virgin Islands		$537	

Data Sources: Health Resources and Services Administration.

(1) Outlays for administration at the federal level for FY 84 were $13,582(000).
(2) Difference between U.S. total and total if all states are summed are dollars going to activities not attributable to a specific state.

IX. A. FY 1985 RECIPIENT CHARACTERISTICS (in thousands)
13.224 COMMUNITY HEALTH CENTERS

		Persons Served (1)	(2)
United States		5,077	
Alabama		122	
Alaska		13	
Arizona		64	
Arkansas		49	
California		415	
Colorado		197	
Connecticut		49	
Delaware		6	
D. C.		44	
Florida		324	
Georgia		92	
Hawaii		14	
Idaho		33	
Illinois		139	
Indiana		37	
Iowa		18	
Kansas		1	
Kentucky		95	
Louisiana		24	
Maine		52	
Maryland		81	
Massachusetts		105	
Michigan		121	
Minnesota		32	
Mississippi		154	
Missouri		115	
Montana		4	
Nebraska		3	
Nevada		12	
New Hampshire		7	
New Jersey		136	
New Mexico		81	
New York		584	
N. Carolina		129	
N. Dakota		2	
Ohio		150	
Oklahoma		27	
Oregon		64	
Pennsylvania		225	
Rhode Island		39	
S. Carolina		85	
S. Dakota		24	
Tennessee		153	
Texas		268	
Utah		16	
Vermont		12	
Virginia		44	
Washington		83	
W. Virginia		125	
Wisconsin		33	
Wyoming		0	
Guam		8	
Puerto Rico		356	
Virgin Islands			(3)

Data Sources: Health Resources and Services Administration.

(1) Based on unduplicated annual count.
(2) 457(000) elderly, defined as 65 years of age or older, were served nationwide.
(3) Data not available.

IX. B. FY 84 RECIPIENT CHARACTERISTICS (in thousands)
13.224 COMMUNITY HEALTH CENTERS

		Persons Served (1)	(2)
United States		5,017	
Alabama		115	
Alaska		10	
Arizona		61	
Arkansas		46	
California		462	
Colorado		197	
Connecticut		50	
Delaware		6	
D. C.		29	
Florida		322	
Georgia		93	
Hawaii		15	
Idaho		32	
Illinois		164	
Indiana		37	
Iowa		17	
Kansas		2	
Kentucky		90	
Louisiana		21	
Maine		59	
Maryland		99	
Massachusetts		103	
Michigan		144	
Minnesota		29	
Mississippi		125	
Missouri		130	
Montana		3	
Nebraska		3	
Nevada		11	
New Hampshire		7	
New Jersey		136	
New Mexico		79	
New York		539	
N. Carolina		135	
N. Dakota		1	
Ohio		126	
Oklahoma		25	
Oregon		70	
Pennsylvania		202	
Rhode Island		31	
S. Carolina		90	
S. Dakota		26	
Tennessee		152	
Texas		234	
Utah		16	
Vermont		11	
Virginia		37	
Washington		90	
W. Virginia		126	
Wisconsin		26	
Wyoming		0	
Guam		15	
Puerto Rico		366	
Virgin Islands			(3)

Data Sources: Health Resources and Services Administration.

(1) Based on unduplicated annual count.
(2) 452(000) elderly, defined as 65 years of age or older, were served nationwide.
(3) Data not available.

X. A. MEAN FY 85 COSTS PER UNIT SERVED
13.224 COMMUNITY HEALTH CENTERS

	Total	(1)
United States	$75	
Alabama	$98	
Alaska	$53	
Arizona	$86	
Arkansas	$85	
California	$72	
Colorado	$63	
Connecticut	$54	
Delaware	$49	
D. C.	$62	
Florida	$65	
Georgia	$129	
Hawaii	$80	
Idaho	$74	
Illinois	$121	
Indiana	$62	
Iowa	$96	
Kansas	$196	
Kentucky	$78	
Louisiana	$134	
Maine	$58	
Maryland	$90	
Massachusetts	$58	
Michigan	$72	
Minnesota	$58	
Mississippi	$85	
Missouri	$116	
Montana	$143	
Nebraska	$126	
Nevada	$82	
New Hampshire	$59	
New Jersey	$79	
New Mexico	$95	
New York	$56	
N. Carolina	$95	
N. Dakota	$45	
Ohio	$95	
Oklahoma	$105	
Oregon	$62	
Pennsylvania	$77	
Rhode Island	$85	
S. Carolina	$121	
S. Dakota	$61	
Tennessee	$83	
Texas	$84	
Utah	$97	
Vermont	$41	
Virginia	$96	
Washington	$74	
W. Virginia	$54	
Wisconsin	$146	
Wyoming	$0	
Guam	$40	
Puerto Rico	$29	
Virgin Islands		(2)

Data Sources: Health Resources and Services Administration.

(1) Mean costs estimated by dividing total spending in Table VIII.A. by persons served in Table IX.A.
(2) Data not available.

X. B. MEAN FY 84 COSTS PER UNIT SERVED
13.224 COMMUNITY HEALTH CENTERS

		Total	(1)
United States		$70	
Alabama		$89	
Alaska		$57	
Arizona		$99	
Arkansas		$83	
California		$68	
Colorado		$70	
Connecticut		$49	
Delaware		$27	
D. C.		$85	
Florida		$57	
Georgia		$93	
Hawaii		$87	
Idaho		$67	
Illinois		$77	
Indiana		$62	
Iowa		$88	
Kansas		$91	
Kentucky		$79	
Louisiana		$100	
Maine		$50	
Maryland		$65	
Massachusetts		$52	
Michigan		$53	
Minnesota		$61	
Mississippi		$84	
Missouri		$99	
Montana		$103	
Nebraska		$172	
Nevada		$102	
New Hampshire		$38	
New Jersey		$69	
New Mexico		$77	
New York		$66	
N. Carolina		$71	
N. Dakota		$226	
Ohio		$100	
Oklahoma		$117	
Oregon		$59	
Pennsylvania		$78	
Rhode Island		$92	
S. Carolina		$119	
S. Dakota		$57	
Tennessee		$73	
Texas		$82	
Utah		$89	
Vermont		$38	
Virginia		$115	
Washington		$64	
W. Virginia		$42	
Wisconsin		$134	
Wyoming		$0	
Guam			(2)
Puerto Rico		$29	
Virgin Islands			(2)

Data Sources: Health Resources and Services Administration.

(1) Mean costs estimated by dividing total spending in Table VIII.B. by persons served in Table IX.B.
(2) Data not available.

XI. HISTORICAL DATA (in thousands)
13.224 COMMUNITY HEALTH CENTERS

Federal Fiscal Year	Total Federal Obligations	Persons Served	(1)
1985	$383,000	5,100	
1984	$351,000	5,000	
1983	$360,000	4,800	
1982	$281,000	4,500	
1981	$323,700	4,700	
1980	$320,000	4,200	
1979	$253,000	3,800	
1978	$255,000	3,000	
1977	$215,100	2,500	
1976	$196,600	2,200	
1975	$196,600	1,300	
1974	$217,100	1,200	
1973	$110,200	1,000	
1972	$135,000		
1971			
1970			
1969			
1968			
1967			
1966			
1965			
1964			
1963			
1962			
1961			
1960			

Data Sources: Health Resources and Services Administration.

(1) Based on unduplicated annual count.

MIGRANT HEALTH CENTERS

I. PROGRAM SUMMARY

Migrant Health Centers (MHCs) help to make ambulatory health care available to current and former migratory and seasonal workers and their families. The MHCs are administered directly by the Department of Health and Human Services; state and local governments have no direct role in the program. The MHC funds help to subsidize private, nonprofit organizations that operate health centers serving migrant and seasonal farmworker families.

In FY 1985, about 500,000 persons, mostly women and children, were served by 122 MHCs and total federal obligations for the program were $44 million. Grantees are expected to maximize revenues from other sources including patient fees and public or private third-party payments such as private insurance or Medicaid. (Many migrant farmworkers are not eligible for Medicaid, however, due to state residency requirements.) Thus, the amount of a grant to a MHC is limited to the difference between the center's total operating costs and total revenues from other sources, which may or may not include some state and local government funding.

The primary criterion for determining eligibility is employment in agriculture on a seasonal basis within the past 24 months. Members of such a farmworker family and retired or disabled migrant farmworkers are also eligible to receive MHC services. Fees for services vary: persons with incomes at or below the federal poverty guidelines pay at most nominal fees; persons with incomes above 200 percent of the guidelines are charged the full costs of services; and persons with incomes between 100 and 200 percent of the guidelines pay a portion of the costs of services in accordance with a sliding fee schedule set by the MHC.

Ambulatory health care delivery systems such as MHCs provide primary health care, including diagnostic, therapeutic, preventive, and emergency services. In addition, MHCs address environmental health care by paying for improvements in such things as waste disposal and safe water supplies.

II. ADMINISTRATION

A. Program name: Migrant Health Centers.

B. Catalog of Federal Domestic Assistance No.: 13.246
Budget account number(s): 75-1101-0-1-550.

C. Current authorizing statute: Section 329 of the Public Health Service Act.

D. Location of program regulations in the Code of Federal Regulations: 42 CFR Part 56.

E. Federal administering agency: Health Resources and Services Administration, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: Private nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Federal funds are allocated by the Central Office of the Bureau of Health Care Delivery and Assistance (BHCDA) to ten regional offices. The ten regional offices, in accordance with the funding priorities, determine the areas of greatest need and fund appropriate applications. Determination of high impact areas has been established by applicants' assessment of need and demand in areas where no less than 4,000 migrant and seasonal farmworkers reside for more than two months in the calendar year.

A national formula is used to distribute funds based on:

- Past performance as indicated by each region's average percentage of migrant and seasonal farmworker users for the previous two calendar years;
- Estimated need as indicated by each region's percentage of migrants.

Regional offices then:

- Decide which applicants to fund, in accordance with the funding priorities;
- Approve a level of program activity to be funded, focusing on essential and appropriate services, for each grantee;
- Determine reasonable expenditures for the approved activities.

Each center prepares a schedule of fees or payments designed to cover the costs of operation, each center has a corresponding schedule of discounts to be applied to the payment of such fees, with the discounts based on the patient's ability to pay. The amount of a grant to a health center is limited to the difference between:

- The center's total operating costs; and
- The total funds expected to be available from other sources (i.e., state, local, and other funds and the patient fees, premiums, and third-party reimbursements which the center may reasonably be expected to receive for its operations during the year).

I. Role of state and local governments in administering the program.

None.

J. Audit or quality control.

The federal government provides standards for administrative efficiency that pertain to grantees, in addition to standards for financial and clinical management. The MHC funds are intended to support delivery systems that are organized, structured, and operated in a manner that is consistent with legislative requirements and program priorities, are efficiently and effectively managed, and have the capability of reaching an increased number of migrant and seasonal farmworkers and their families at a reasonable cost. The primary eligibility for services under this program is employment as an agricultural worker as defined by the statute. A comparison of the number of persons eligible for service by a center to the number actually served is made, and centers are expected to have a ratio deemed appropriate (according to the professional judgment of federal officials).

If the standards are not met (and have not been waived), the center is evaluated to determine appropriate action. The grantee may be given a designated time period to achieve compliance. In general, failure to comply results in discontinuation of MHC funding.

In addition, a copy of each audit is submitted to the region, where the opinion rendered by the auditor is reviewed. If there are major audit deficiencies, an action plan of correcting deficiencies is developed. Necessary changes in program operation may be included as conditions under which any subsequent grant award is made.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The program objective is to make ambulatory health care delivery systems available to current and former migratory agricultural workers, seasonal agricultural workers, and their families.

B. Allocation of program funds among activities.

Program funds are allocated by approval of a level of program activity to be funded, focusing on essential and appropriate services, for each grantee. MHC funding is concentrated on the provision of primary health services.

Migrant health centers are operational for varying lengths of time during the year, depending on the need in the area and requirements for cost-effectiveness (e.g., areas with migrant and seasonal farmworkers who are only there for three months out of the year do not need to be open all year).

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Farmworkers and their families are eligible for program services. The term migratory and seasonal agricultural worker means an individual whose principal employment is in agriculture on a seasonal basis and who has been so employed within the last twenty-four months.

B. Income eligibility standards.

There are no income limits used to determine eligibility for services at migrant health centers. The eligibility for migrant health services depends on the user being a current or former migrant or seasonal farmworker or a member of such a farmworker's family, as defined by the statute.

Grant funds may be used to pay the full cost of MHC services to individuals and families at or below the federal poverty guidelines, except that such individuals may be required by centers to pay nominal fees. The majority of the users tend to have incomes and family sizes that place them at or below the federal poverty guidelines.

Grant funds also pay the portion of the cost of services that is discounted, and thus uncompensated, in accordance with the sliding fee schedule. Sliding fee schedules are established by individual Migrant Health Centers. Only users between the poverty level and 200 percent of poverty level are charged based on a sliding fee scale.

No discount is allowed for individuals and families with annual incomes greater than twice the federal poverty guidelines.

C. Other eligibility requirements.

The only requirement for eligibility is to be a migratory or seasonal farmworker or a family member of such a farmworker.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Recipients with incomes above poverty are expected to spend other income to make up the difference between the cost of services and any discount fee.

V. BENEFITS AND SERVICES

A. Program intake processes.

Outreach systems identify health care centers for migrant and seasonal farmworkers. A directory of migrant health centers is provided to state and local agencies which provide services to migrant and seasonal farmworkers to facilitate this outreach system.

It is intended that farmworkers and their families will have the option to use the centers in a manner similar to that of others who do not face such availability and access limitations (i.e., for services ranging from check-ups to treatment). The strategy for bringing farmworkers and their families into the program is center-specific, although, in general, emphasis is on outreach and transportation.

B. Program benefits or services.

Migrant health centers provide ambulatory health care services as required for each user, with an emphasis on prevention.

Ambulatory health care delivery systems provide: primary health services; supplemental services necessary for support of primary health services; referrals to providers of supplemental health services; environmental health services; infections and parasitic disease screening; and information which facilitates optimal use of health services.

The services are provided either through the staff and supporting services of the health center or through contracts or cooperative arrangements with other public or private entities.

"Primary health services" include: services of physicians, physicians' assistants and nurse clinicians; diagnostic, laboratory, and radiologic services; preventive health services; emergency medical services; transportation services required for adequate patient care; preventive dental services; and pharmaceutical services.

"Supplemental health services" include: home health services; extended care facility services; rehabilitative services; mental health services; dental services; vision services; allied health services; therapeutic radiologic services; public health services; ambulatory surgical services; and health education services.

"Environmental health services" include, as appropriate, the detection and alleviation of unhealthful conditions associated with water supply, sewage treatment, solid waste disposal, rodent and parasitic infection, field sanitation, housing, and other environmental factors related to health.

In 1984 there were 120 grantees and 464,000 users and in 1985 there were 122 grantees and 494,000 users. Women and children are the primary users of the centers.

C. Duration of benefits.

No information is available about average duration of benefits. Services are provided as required.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

None.

B. Counting assistance from other programs.

Cash income, including welfare, is counted for determining the fee. However, in practice, families receiving cash welfare tend to have cash incomes below poverty and pay no fee. Medicaid benefits are counted in the sense that they are sought for reimbursement so that center funds are used only to make up the difference between reimbursements and the cost of services.

C. Overlapping authorities and benefits.

Seasonal farmworkers may be eligible for health services from a wide range of other programs, including Medicaid, Veterans Health Care, Community Health Centers, and the Indian Health Service.

The MHC dollars support all or a portion of the cost of providing a particular service to an individual only if Medicare, Medicaid, or other third-party sources are not applicable and if the individual's income and family size make him eligible.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
(no formal subcommittee)

House of Representatives

Committee on Energy and Commerce
Subcommittee on Health and the Environment

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

In 1962, Congress amended the Public Health Service Act by enacting Pub. L. 87-692. This first Migrant Health Act provided for federal grant support to clinics which offered health services to domestic migratory farmworkers and their families. Funds were used primarily for support of preventive health service programs -- immunization, health education, and environmental safety.

In 1965, a Congressional reevaluation of migrant health activities indicated that the program had not met the health care objectives of the original Act. The Community Health Services Extension Amendments of 1965 (Pub. L. 89-109) addressed several of the program's inadequacies for program activities and increased authorizations to support migrant health services delivery projects. The legislation also authorized the use of funds for the costs of necessary hospitalization of migrants.

In 1968, Congress passed the Health Services Amendments of 1968 (Pub. L. 90-574). Among other things, these amendments extended the migrant health authority through 1970 and increased the authorization level for project support.

In 1970, Congress again extended the program's authority and increased its authorizations with the enactment of Pub. L. 91-209. In addition, Pub. L. 91-209 expanded program activities to provide health services to seasonal agricultural workers and their families living in communities which experienced seasonal influxes of migrant farmworkers and to require consumer involvement in migrant health projects.

In June 1973, Congress enacted Pub. L. 93-45, the Health Programs Extension Act, which provided a one-year extension of the authority of the migrant health program.

As a result of a Presidential veto of the proposed extension of the migrant health authorization for FY 1975 and beyond, the amounts appropriated for FY 1975 constituted the Congressional authorization for that year. On July 29, 1975, Congress passed Pub. L. 94-63 over a second Presidential veto. For FY 1978, Congress passed a one-year extension (Pub. L. 95-83).

In November 1978, Pub. L. 95-626, extended the migrant health program for FY 1979, 1980, and 1981. Pub. L. 95-626 made significant revisions to the migrant health authority: increased emphasis on environmental health services; use of bilingual personnel mandated for migrant centers serving substantial numbers of patients not fluent in English; retired and disabled migrant agricultural workers made eligible for services; and high impact areas redefined.

The Omnibus Budget Reconciliation Act of 1981 extended the existing migrant health authority through FY 1984.

E. Major federal implementing regulations and regulatory changes.

In May 1972, final regulations on Grants for Migrant Health Services were published (42 CFR 56). These set out application requirements, administrative, management, and operational requirements for funded projects.

Regulations were published in December 1976 to implement the section of Pub. L. 94-63 regarding acquisition and modernization of existing MHC buildings. A March 1979 Notice published the minimum components of and efficiency indicators for a quality assurance system used in evaluating MHC performance.

In December 1980, a Notice of Proposed Rulemaking proposed rules to implement changes resulting from Pub. L. 95-626. This law had placed increased emphasis on environmental, pharmacy, and certain supplemental health services and placed incentives on fee collection. These regulations were never finalized because of plans to consolidate the Migrant Health program within a primary care block grant.

A December 1981 Notice informed applicants for grant funds that awards would be directed toward centers which meet standards established for productivity or effectiveness of program operations and which demonstrate that a need for the health delivery capacity has been established.

A February 1986 Notice of Available Funding described the funds available and listed conditions which must be met by successful applicants, including the requirement for a governing board to be representative of a Migrant Health Services' user, requirements for accessible services, sufficient staff, coordination with local health resources, and justification for the Migrant Health Center's proposed costs.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (In thousands)
13.246 MIGRANT HEALTH CENTERS

		Total Obligations	(1)
United States		$44,300	(2)
Alabama		$0	
Alaska		$0	
Arizona		$281	
Arkansas		$0	
California		$5,260	
Colorado		$1,851	
Connecticut		$0	
Delaware		$956	
D. C.		$0	
Florida		$7,811	
Georgia		$306	
Hawaii		$0	
Idaho		$413	
Illinois		$459	
Indiana		$656	
Iowa		$216	
Kansas		$200	
Kentucky		$0	
Louisiana		$0	
Maine		$0	
Maryland		$2,291	
Massachusetts		$69	
Michigan		$2,544	
Minnesota		$523	
Mississippi		$0	
Missouri		$121	
Montana		$203	
Nebraska		$230	
Nevada		$0	
New Hampshire		$0	
New Jersey		$63	
New Mexico		$87	
New York		$305	
N. Carolina		$1,273	
N. Dakota		$0	
Ohio		$515	
Oklahoma		$116	
Oregon		$1,231	
Pennsylvania		$347	
Rhode Island		$0	
S. Carolina		$608	
S. Dakota		$0	
Tennessee		$152	
Texas		$7,760	
Utah		$319	
Vermont		$0	
Virginia		$67	
Washington		$2,621	
W. Virginia		$546	
Wisconsin		$372	
Wyoming		$128	
Guam		$0	
Puerto Rico		$3,400	
Virgin Islands		$0	

Data Sources: Health Resources and Services Administration

(1) Outlays for administration at the federal level for FY 85 were $2,292(000).
(2) Difference between U.S. total and sum of all state figures are dollars going to activities not attributable to a specific State.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
13.246 MIGRANT HEALTH CENTERS

	Total Obligations	
United States	$42,000	(1)
Alabama	$0	
Alaska	$0	
Arizona	$298	
Arkansas	$0	
California	$4,561	
Colorado	$1,917	
Connecticut	$0	
Delaware	$1,024	
D. C.	$0	
Florida	$3,579	
Georgia	$305	
Hawaii	$0	
Idaho	$510	
Illinois	$608	
Indiana	$532	
Iowa	$220	
Kansas	$235	
Kentucky	$0	
Louisiana	$0	
Maine	$0	
Maryland	$150	
Massachusetts	$0	
Michigan	$3,273	
Minnesota	$737	
Mississippi	$0	
Missouri	$103	
Montana	$357	
Nebraska	$206	
Nevada	$0	
New Hampshire	$0	
New Jersey	$245	
New Mexico	$155	
New York	$267	
N. Carolina	$1,286	
N. Dakota	$0	
Ohio	$504	
Oklahoma	$122	
Oregon	$659	
Pennsylvania	$1,386	
Rhode Island	$0	
S. Carolina	$610	
S. Dakota	$0	
Tennessee	$99	
Texas	$6,068	
Utah	$317	
Vermont	$0	
Virginia	$151	
Washington	$2,739	
W. Virginia	$208	
Wisconsin	$345	
Wyoming	$111	
Guam	$0	
Puerto Rico	$3,209	
Virgin Islands	$0	

Data Sources: Health Resources and Services Administration

(1) Difference between U.S. total and sum of all state figures are dollars going to activities not attributable to a specific state.

IX. A. FY 85 RECIPIENT CHARACTERISTICS (in thousands)
13.246 MIGRANT HEALTH CENTERS

	All Persons Served (1)	(2)
United States	494	
Alabama	0	
Alaska	0	
Arizona	4	
Arkansas	0	
California	98	
Colorado	26	
Connecticut	0	
Delaware	9	
D. C.	0	
Florida	71	
Georgia		(3)
Hawaii	0	
Idaho	10	
Illinois	5	
Indiana	0	
Iowa	2	
Kansas	1	
Kentucky	0	
Louisiana	0	
Maine	0	
Maryland	1	
Massachusetts		(3)
Michigan	29	
Minnesota	8	
Mississippi	0	
Missouri	2	
Montana	4	
Nebraska	2	
Nevada	0	
New Hampshire	0	
New Jersey	2	
New Mexico	1	
New York	4	
N. Carolina	19	
N. Dakota	0	
Ohio	5	
Oklahoma	1	
Oregon	9	
Pennsylvania	7	
Rhode Island	0	
S. Carolina	3	
S. Dakota	0	
Tennessee		(3)
Texas	58	
Utah	13	
Vermont	0	
Virginia		(3)
Washington	22	
W. Virginia	3	
Wisconsin	2	
Wyoming	2	
Guam	0	
Puerto Rico	65	
Virgin Islands	0	

Data Sources: Health Resources and Services Administration

(1) Based on unduplicated annual count.
(2) 40,000 elderly, defined as 65 years of age or older, were served nationally.
(3) Less than 1,000.

IX. B. FY 84 RECIPIENT CHARACTERISTICS (in thousands)
13.246 MIGRANT HEALTH CENTERS

		All Persons Served (1)	(2)
United States		464	
Alabama		0	
Alaska		0	
Arizona		4	
Arkansas		0	
California		87	
Colorado		28	
Connecticut		0	
Delaware		8	
D. C.		0	
Florida		90	
Georgia		0	
Hawaii		0	
Idaho		13	
Illinois		6	
Indiana		3	
Iowa		1	
Kansas		1	
Kentucky		0	
Louisiana		0	
Maine		0	
Maryland		0	
Massachusetts			(3)
Michigan		23	
Minnesota		8	
Mississippi		0	
Missouri		1	
Montana		2	
Nebraska		2	
Nevada		0	
New Hampshire		0	
New Jersey		2	
New Mexico		1	
New York		3	
N. Carolina		14	
N. Dakota		0	
Ohio		6	
Oklahoma		1	
Oregon		9	
Pennsylvania		7	
Rhode Island		0	
S. Carolina		4	
S. Dakota		0	
Tennessee		1	
Texas		58	
Utah		2	
Vermont		0	
Virginia		0	
Washington		24	
W. Virginia		3	
Wisconsin		2	
Wyoming		1	
Guam		4	
Puerto Rico		45	
Virgin Islands		0	

Data Sources: Health Resources and Services Administration

(1) Based on unduplicated annual count.
(2) 40,000 elderly, defined as 65 years of age or older, were served nationally.
(3) Less than 1,000.

X. A. MEAN FY 85 COSTS PER UNIT SERVED
13.246 MIGRANT HEALTH CENTERS

		Total	(1)
United States		$90	
Alabama			
Alaska			
Arizona		$70	
Arkansas			
California		$54	
Colorado		$71	
Connecticut			
Delaware		$106	
D. C.			
Florida		$110	
Georgia			
Hawaii			
Idaho		$41	
Illinois		$92	
Indiana			
Iowa		$108	
Kansas		$200	
Kentucky			
Louisiana			
Maine			
Maryland			
Massachusetts			
Michigan		$88	
Minnesota		$65	
Mississippi			
Missouri		$61	
Montana		$51	
Nebraska		$115	
Nevada			
New Hampshire			
New Jersey		$32	
New Mexico		$87	
New York		$76	
N. Carolina		$67	
N. Dakota			
Ohio		$103	
Oklahoma		$116	
Oregon		$137	
Pennsylvania		$50	
Rhode Island			
S. Carolina		$203	
S. Dakota			
Tennessee			
Texas		$134	
Utah		$25	
Vermont			
Virginia			
Washington		$119	
W. Virginia		$182	
Wisconsin		$186	
Wyoming		$64	
Guam			
Puerto Rico		$52	
Virgin Islands			

Data Sources: Health Resources and Services Administration

(1) Mean costs estimated by dividing total spending in Table VIII by persons served in Table IX.

X. B. MEAN FY 84 COSTS PER UNIT SERVED
13.246 MIGRANT HEALTH CENTERS

		Total	(1)
United States		$91	
Alabama			
Alaska			
Arizona		$75	
Arkansas			
California		$52	
Colorado		$68	
Connecticut			
Delaware		$128	
D. C.			
Florida		$40	
Georgia			
Hawaii			
Idaho		$39	
Illinois		$101	
Indiana		$177	
Iowa		$220	
Kansas		$235	
Kentucky			
Louisiana			
Maine			
Maryland			
Massachusetts			
Michigan		$142	
Minnesota		$92	
Mississippi			
Missouri		$103	
Montana		$179	
Nebraska		$103	
Nevada			
New Hampshire			
New Jersey		$123	
New Mexico		$155	
New York		$89	
N. Carolina		$92	
N. Dakota			
Ohio		$84	
Oklahoma		$122	
Oregon		$73	
Pennsylvania		$198	
Rhode Island			
S. Carolina		$153	
S. Dakota			
Tennessee		$99	
Texas		$105	
Utah		$159	
Vermont			
Virginia			
Washington		$114	
W. Virginia		$69	
Wisconsin		$173	
Wyoming		$111	
Guam			
Puerto Rico		$71	
Virgin Islands			

Data Sources: Health Resources and Services Administration

(1) Mean costs estimated by dividing total spending in Table VIII by persons served in Table IX.

XI. HISTORICAL DATA (In thousands)
13.246 MIGRANT HEALTH CENTERS

Federal Fiscal Year	Total Federal Obligations		Persons Served
1985	$44,300		494
1984	$42,000		464
1983	$38,104		394
1982	$38,208		394
1981	$43,223		415
1980	$39,700		
1979	$34,500		
1978	$34,500		
1977	$33,480	(1)	
1976	$25,000		
1975	$23,750		
1974	$23,750		
1973	$23,750		
1972	$17,950		
1971	$14,000		
1970	$14,000		
1969	$7,200		
1968	$7,200		
1967	$7,200		
1966	$3,000		
1965	$2,500		
1964	$1,500		
1963	$750		
1962			
1961			
1960			

Data Sources: Health Services and Resource Administration

(1) Includes Transition Quarter 1976.

SOCIAL SERVICES BLOCK GRANT

I. PROGRAM SUMMARY

The Social Services Block Grant (SSBG) provides federal funds to states and insular areas to encourage services that help low income persons achieve self-support and that help to prevent dependency and inappropriate institutionalization. States and the other primary grantees have key roles under SSBG. They develop and administer the program, determine what services will be provided and who will be eligible, and act as the primary interpreters of the federal SSBG law. Local agencies, such as county welfare offices, serve as contact points for applicants in need.

In FY 1985, about $2.7 billion was appropriated for SSBG. There are no matching requirements for the states. However, the predecessor Title XX programs required a state match for federal funds, and many states continue to provide state funds. The minimal reporting requirements imposed under the 1981 block grant law do not yield data on either the amounts of state supplementary funding or the numbers of persons served under SSBG.

All eligibility criteria under SSBG, including any income or asset limits, are determined entirely by the state. Currently, all states make all services available to AFDC recipients and most services available to SSI recipients. The primary condition that must be met is a need for the service.

Each state, within specific statutory limitations, determines what services will be provided. Typically, a wide range of services are offered directly to recipients to meet the goals of the program. For example, training and transportation may help to achieve self-support, chore and homemaker services may help to avoid institutionalization, emergency intervention and medical services may help to reduce abuse of persons. The federal statute does limit the use of SSBG funds in certain ways such as specifying no cash assistance, virtually no room and board benefits, no child care unless it meets applicable standards of state and local law, and no medical care unless integral to another social service.

Federal funding for social services has been capped at the annual appropriation level since 1972. Under the law prior to 1972, federal funding was open-ended and expenditures grew rapidly despite state matching requirements. Much of the increase in spending was due to state efforts to finance institutional care programs from open-ended federal funds.

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II. ADMINISTRATION

A. Program name: Social Services Block Grant.

B. Catalog of Federal Domestic Assistance No.: 13.667
Budget account number(s): 75-1634-0-1-506.

C. Current authorizing statute: 42 U.S.C. 1397-1397f.

D. Location of program regulations in the Code of Federal Regulations: 45 CFR Part 96.

E. Federal administering agency: Office of Human Development Services, Office of Policy, Planning and Legislation, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: States; insular areas.

G. Subgrantee (if any) receiving program funds to provide benefits: Counties; cities; tribal organizations; private nonprofit organizations; private for-profit organizations; other public agencies and individuals.

H. Allocation of federal funds

The Social Services Block Grant (SSBG) is a federally-funded program capped at the annual appropriation level. Funds are allocated to states and other jurisdictions based on 42 U.S.C. 1397b.

Each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, and the Commonwealth of the Northern Mariana Islands receives an allotment in an amount that bears the same ratio to the amount appropriated as the amount allocated to each jurisdiction in FY 1981 bore to $2.9 billion. The remainder of the amount appropriated is allotted to states and the District of Columbia based on the ratio of each state's population to the national population.

There are no requirements that state or other funds or commitments of time or services be used to match federal funds. However, states were required to provide a match under a predecessor program, and some states continue to use state or other funds to supplement the SSBG program.

There are no requirements that states must pass funds through to other grantees.

I. Role of state and local governments in administering the program.

The state government is responsible for administering the SSBG. In order to receive funding, the state must submit a preexpenditure report to the Department of Health and Human Services (DHHS). This report, or state plan, must include, at minimum, a description of the services and activities to be supported and the categories or characteristics of individuals to be served. A state must provide an opportunity for public comment on the proposed services plan before the final preexpenditure report is submitted to DHHS.

Within the limitations in the law, the state has sole responsibility for developing and administering the program, determining what services will be provided, who is eligible to receive services, and how funds will be distributed among the various services offered within the state.

In addition, states are the primary interpreters of the law. The block grant regulation at 45 CFR 96.50(e) states, "In resolving any issue raised by a complaint or a federal audit or review, the Department will defer to a state's interpretation of its assurances and of the provisions of the block grant statutes unless the interpretation is clearly erroneous."

Because the Department's block grant programs are not highly regulated, the federal government will look to state rather than federal law or procedures for determining compliance with the statute.

State legislatures and units of local government may also be involved in the development of the state's preexpenditure report. Units of local government, typically county or city welfare or social services or human services offices, administer the program. State or local SSBG agencies may provide services directly or purchase them from other public or private agencies.

J. Audit or quality control.

Primary responsibility for administrative efficiency under the SSBG rests with the states. There is no procedure established by the statute for calculating an error rate under the SSBG, and the federal government does not provide standards for administrative efficiency in the form of a target error rate or quality control system for the SSBG.

However, the states are required by the Single Audit Act to perform an annual audit. This audit must be conducted in accordance with the Comptroller General's standards for audits of governmental organizations, programs, activities, and functions, and submitted to HHS within 30 days after completion. The statute also requires states to repay amounts found not to be expended in accordance with the statute.

If the federal government determines as a result of audits that a state has spent money improperly, it can either seek repayment of misspent funds, or, in the case of the finding of substantial noncompliance, withhold federal funds after a process which involves legal review and hearings.

During the past year, ten state audits have been reviewed by the Department. All state expenditures were found to be in compliance with the statute. Under the SSBG, there is no requirement that the Department conduct program reviews.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The explicit statutory and regulatory objectives of the SSBG are stated in the statute: "For the purposes of consolidating federal assistance to states for social services into a single grant, increasing state flexibility in using social services grants, and encouraging each state, as far as practicable under the conditions in that state, to furnish services directed at the goals of:

(1) Achieving or maintaining economic self support to prevent, reduce, or eliminate dependency;

(2) Achieving or maintaining self sufficiency, including reduction or prevention of dependency;

(3) Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating, or reuniting families;

(4) Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care;

(5) Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions."

B. Allocation of program funds among activities.

States have sole responsibility for determining how SSBG funds will be allocated among various activities to meet the statutory goals and objectives.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

States decide eligibility standards and what services will be provided. Currently, all states make all services available to AFDC recipients, while making most of the same services available to SSI recipients. Eligibility may also be based on income. Based on the need for the service, the unit of service may be an individual (child or adult), a family group, or selected members of a family.

B. Income eligibility standards.

All income eligibility criteria, including income limits, are determined entirely by the states. A person may be eligible for SSBG services in three basic ways:

(1) By having an income that falls within a fixed amount;

(2) By being an AFDC or SSI recipient, or by being a member of a defined category of persons (e.g., persons living in a certain geographic area or members of a specified target group such as the elderly or runaways);

(3) By being the recipient of a service provided without regard to income.

Currently, all states provide two services without regard to income, i.e., protective services to address abuse and neglect, and information and referral services.

There are no income eligibility limitations in the statute. Any income limits are set by each state and may vary from subgroup to subgroup, e.g., child care may be available only for AFDC recipients who are working; other services may be based on income levels, as well as directed toward specific groups.

There is no statutory or regulatory requirement for application of disregards, deductions, or discounts from gross earned income. States, typically, set income eligibility based on a single income figure.

C. Other eligibility requirements.

In addition to whatever income eligibility criteria may be established, the need for the service is the primary condition which must be established for eligibility. Some services may be directed at specific subgroups, e.g., meals on wheels for the homebound elderly, disability services for the disabled, services to unmarried parents.

There are no federal statutory or regulatory job search or work requirements under the SSBG; currently, no state has chosen to institute such requirements as a condition of eligibility for social services.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Some states charge fees for some services, particularly child day care services.

V. BENEFITS AND SERVICES

A. Program intake processes.

Program intake under the SSBG is accomplished through a wide variety of processes including all of the following: voluntary application; referral by a third party including service providers, law enforcement agencies, other community agencies and organizations, and friends and neighbors; automatic intake due to eligibility for some other program or service.

The local administering agency or service provider may be a state or local agency (e.g., county, city, or regional office), proprietary or nonprofit agency, or an individual service provider.

B. Program benefits or services.

A wide range of services are provided under the SSBG to meet a wide range of service needs under each of the objectives in the statute. For example:

- To meet the goal of self-support, an AFDC recipient may need child day care, transportation, counseling, or a work or training program;
- To meet the goals of maintaining self-sufficiency and preventing institutionalization, an individual may need homemaker services, chore services, or home health services;
- To prevent abuse, neglect, or exploitation, children and adults may require emergency intervention services, protective services, emergency medical care, substitute or foster care, or counseling.

However, the statute at 42 U.S.C. 1397d contains several limitations on the use of SSBG funds. For example, funds may not be used for cash payments as a service, for costs of subsistence or for the provision of room and board except in special circumstances, for the provision of child care unless the service meets applicable state and local standards or for the provision of medical care, unless it is an integral but subordinate part of a social service.

Services are provided directly to the recipient, e.g., day care for children, chore services for the elderly, counseling, transportation, services and activities in senior citizen centers.

Each state sets its own factors, conditions, formulas, and criteria for services. They may vary from service to service; they may be in effect state-wide or may vary in different geographic areas throughout the state. In addition, the state must provide the public an opportunity to review and comment on the state's proposed services program and the factors, conditions, formulas, and criteria for services. All factors, conditions, criteria, and formulas established by the state are applied at the time the individual requests services from the services provider.

C. Duration of benefits.

No information on average duration of services is available. Maximum duration or participation limitations are determined by each state based on the need for service, funds available, and other factors.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

States have the flexibility to make groups of persons categorically eligible for SSBG. For example, currently, all states make AFDC recipients eligible for all services and SSI recipients eligible for most services. This continues the pattern of predecessor programs which conferred categorical eligibility on these groups.

Under the previous Title XX program, information reported by the states for FY 1980 indicated that AFDC recipients represented 27 percent of those receiving services under Title XX, while SSI recipients represented 11 percent of those receiving services.

B. Counting assistance from other programs.

Neither the statute nor the regulations prohibit counting the income or resources provided under any other assistance program in establishing eligibility criteria. These decisions are left up to the state.

States make the decisions on who will be eligible for services and set their own income levels for recipient eligibility for social services. If an individual's circumstances and income change, that may result in as change in SSBG eligibility.

C. Overlapping authorities and benefits.

There are several federal programs which authorize the same or similar services. Because of coordination among state and local agencies and due to the nature of social services, there is rarely duplication of services to a specific individual.

The following federal statutes and programs authorize services that are the same or similar to the services that may, at state option, be provided under the SSBG:

- Older Americans Act
- Developmental Disabilities Act
- Head Start Act
- Child Abuse & Neglect Prevention and Treatment Act
- Foster Care and Adoption Assistance Program (Independent Living Initiatives)
- Child Welfare Services (Title IV-B of the Social Security Act)
- Runaway Youth Program
- Family Violence Prevention and Services Act
- Dependent Care Planning Grant Program
- Community Services Block Grant
- Maternal & Child Health Services Block Grant
- Alcohol, Drug Abuse, and Mental Health Services Block Grant
- Preventive Health & Health Services Block Grant
- Family Planning Services (Title X of the Public Health Services Act)
- Adolescent Family Life Demonstration Program

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Finance
    Subcommittee on Social Security and Income Maintenance Programs

House of Representatives

Committee on House Ways and Means
    Subcommittee on Public Assistance and Unemployment Compensation

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

PREDECESSOR PROGRAMS (Titles I, IV-A, X, XIV, and XVI (AABD) of the Social Security Act)

The origin of the SSBG program is found in the public assistance titles of the Social Security Act. In 1956, federal funds were first authorized for social services only for recipients of public income maintenance assistance (AFDC; cash assistance for the aged, blind, and disabled) with federal funds matching state funds dollar for dollar. It was hoped that through the provision of services, the unemployed could achieve economic independence. Funding was open-ended, i.e., not capped. In 1962, a 75 percent matching rate was enacted, and states were permitted to provide services to former and potential -- as well as current -- income maintenance recipients. Federal regulations specified what services could be provided, to whom, and under what conditions. In 1967, states were allowed to purchase services on behalf of recipients from private service providers.

Between 1967 and 1972, federal expenditures grew rapidly. Much of this increase was due to state efforts to finance state institutional programs in mental health, retardation, corrections, and some education programs from open-ended federal funds. As a result, Congress placed a $2.5 billion ceiling on federal social services funding in 1972 with each state's share determined on the basis of the proportion of its population to the total population of all the states. During 1972 and 1973, efforts by the Department to control social services expenditures through rigorous financial reviews and regulations met with strong opposition. The controversy culminated in the enactment of Title XX.

TITLE XX OF THE SOCIAL SECURITY ACT

In 1974, Congress enacted, effective October 1, 1975, a new Title XX of the Social Security Act to establish a new basis for federal funding of social services programs. It retained the $2.5 billion ceiling on federal expenditures, the allocation formula on the basis of population, and the matching requirements.

The Title XX program required that at least three services be available for SSI recipients and required that an amount equal to 50 percent of the federal funds received by the states must be spent for services to AFDC and SSI recipients. In addition, the statute permitted services to be provided, at state option, on the basis of income eligibility not to exceed 115 percent of a state's median income. The law also permitted, at state option, the provision of protective services, family planning services, and information and referral services to persons regardless of income.

Title XX gave states flexibility in establishing eligibility criteria within each state. States could set their own income criteria at or below the maximum statutory level or establish group eligibility for such groups as the elderly or the handicapped living in public housing. Services need not be provided state-wide, and different services could be provided in different geographic areas within a state.

States were required to develop a Comprehensive Annual Services Program Plan which set forth the services to be provided, the eligibility criteria for each service, and the geographic area and method of provision for social services. The Title XX law mandated public participation in the development of the plan.

Title XX was subsequently modified by several legislative amendments. Four of these amendments were concerned primarily with the postponement of staffing requirements in child day care centers and group homes (Federal Interagency Day Care Requirements). Other changes included:

- Limitations on room and board and medical or remedial care were relaxed when these items were included in services to drug addicts;

- Group eligibility (as opposed to individual eligibility) was authorized primarily through the efforts of advocates of the elderly who argued that individual eligibility determinations in senior citizen centers were administratively burdensome;

- $200 million was added above the ceiling in FY 1977-1981 with no federal match required for expenditures for child care. States were also authorized within the $200 million to make grants to day care providers to hire AFDC recipients;

- States were required (in an effort to prevent fraud and abuse) to collect certain information concerning ownership and business transactions from providers of medical or remedial care or health-related homemaker services.

TITLE XX REVISED: THE SOCIAL SERVICES BLOCK GRANT

The Omnibus Budget Reconciliation Act of 1981 (Pub. L. 97-35) amended Title XX of the Social Security Act to establish "Block Grants to States for Social Services" which consolidated the funding for social services, child day care services, and social services staff training. Pub. L. 97-35 also reduced the SSBG ceiling to $2.4 billion for FY 1982 and eliminated the state matching requirement and other administrative requirements.

Under the SSBG program, states have greater flexibility to determine what services will be provided, who will be eligible to receive services, and how funds will be distributed among the various services offered within the state.

The SSBG has not been amended since its enactment. Appropriations have increased from $2.4 billion in FY 1982 to $2.725 billion in FY 1985. With one exception, these increases merely raised the funding ceiling for the program. However, Pub. L. 98-473, enacted October 12, 1984, increased the Title XX appropriation by earmarking $25 million as an "incentive" for states to enact state laws and regulations to require employment history, background checks, and national criminal record checks for certain categories of child care givers. These incentive funds were distributed based on the allocation formula in the statute. A state could use its full share of the $25 million only if it enacted the required laws and regulations. These funds were earmarked for training, including training in the prevention of child abuse, as a response to reports of child abuse in child day care settings.

E. Major federal implementing regulations and regulatory changes.

Combined final regulations for the seven DHHS block grants, including the SSBG program, were published at 45 CFR Part 96 on July 6, 1982. As the preamble to the regulations states: "... the Secretary has determined that the Department should implement the block grant programs in a manner that is fully consistent with the Congressional intent to enlarge the states' ability to control use of the funds involved. Accordingly, to the extent possible, we will not burden the states' administration of the programs with definitions of permissible and prohibited activities, procedural rules, paperwork and recordkeeping requirements, or other regulatory provisions. The states will, for the most part, be subject only to the statutory requirements, and the Department will carry out its functions with due regard for the limited nature of the role that Congress has assigned to us."

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The regulations briefly described "general procedures" for the block grants, financial management, and enforcement activities (complaints, hearings, and appeals).

Major final regulations for the predecessor Title XX program were published June 27, 1975, and January 31, 1977. In addition, a number of technical amendments were published during the period this program was in effect (October 1, 1975, through September 30, 1981). In general, the purpose of the regulations was to clarify requirements, increase state flexibility in administering the program, and make technical changes required by new legislation.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
13.667 SOCIAL SERVICES BLOCK GRANT

	Total	(1)
United States	$2,725,000	
Alabama	$46,149	
Alaska	$5,126	
Arizona	$33,473	
Arkansas	$26,614	
California	$289,368	
Colorado	$35,638	
Connecticut	$36,903	
Delaware	$7,046	
D. C.	$7,385	
Florida	$121,908	
Georgia	$65,999	
Hawaii	$11,634	
Idaho	$11,294	
Illinois	$133,987	
Indiana	$64,032	
Iowa	$34,000	
Kansas	$28,183	
Kentucky	$42,918	
Louisiana	$51,053	
Maine	$13,261	
Maryland	$49,917	
Massachusetts	$67,680	
Michigan	$106,611	
Minnesota	$48,372	
Mississippi	$29,857	
Missouri	$57,946	
Montana	$9,375	
Nebraska	$18,582	
Nevada	$10,311	
New Hampshire	$11,130	
New Jersey	$87,054	
New Mexico	$15,906	
New York	$206,680	
N. Carolina	$70,446	
N. Dakota	$7,842	
Ohio	$126,297	
Oklahoma	$37,183	
Oregon	$31,004	
Pennsylvania	$138,867	
Rhode Island	$11,212	
S. Carolina	$37,488	
S. Dakota	$8,087	
Tennessee	$54,435	
Texas	$178,836	
Utah	$18,186	
Vermont	$6,039	
Virginia	$61,266	
Washington	$49,683	
W. Virginia	$22,799	
Wisconsin	$55,769	
Wyoming	$5,875	
Guam	$470	
Puerto Rico	$14,095	
Virgin Islands	$470	

Data Sources: State allotments
published 1/15/85 at 15 FR 2090.

(1) These figures represent state allotments for FY 1985. Except for audit reports, DHHS did not require states or other jurisdictions to report expenditure data in FY 1985.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
13.667 SOCIAL SERVICES BLOCK GRANT

		Total	(1)
United States		$2,700,000	
Alabama		$45,864	
Alaska		$4,824	
Arizona		$32,715	
Arkansas		$26,884	
California		$283,312	
Colorado		$34,717	
Connecticut		$36,698	
Delaware		$7,002	
D. C.		$7,388	
Florida		$119,233	
Georgia		$65,268	
Hawaii		$11,487	
Idaho		$11,229	
Illinois		$134,209	
Indiana		$64,025	
Iowa		$33,944	
Kansas		$27,903	
Kentucky		$42,878	
Louisiana		$50,443	
Maine		$13,266	
Maryland		$49,916	
Massachusetts		$67,596	
Michigan		$107,770	
Minnesota		$47,937	
Mississippi		$29,636	
Missouri		$57,854	
Montana		$9,285	
Nebraska		$18,465	
Nevada		$9,894	
New Hampshire		$10,960	
New Jersey		$86,694	
New Mexico		$15,550	
New York		$206,102	
N. Carolina		$69,704	
N. Dakota		$7,705	
Ohio		$126,235	
Oklahoma		$36,298	
Oregon		$31,041	
Pennsylvania		$138,998	
Rhode Island		$11,159	
S. Carolina		$37,083	
S. Dakota		$8,032	
Tennessee		$54,002	
Texas		$172,896	
Utah		$17,774	
Vermont		$6,042	
Virginia		$63,580	
Washington		$49,377	
W. Virginia		$22,856	
Wisconsin		$55,524	
Wyoming		$5,761	
Guam		$466	
Puerto Rico		$13,966	
Virgin Islands		$466	

Data Sources: State allotments
published 11/25/83 at 48 FR 53176.

(1) State allotments for FY 1984. Except for audit reports, DHHS did not require states or other jurisdictions to report expenditure data for FY 1984

XI. HISTORICAL DATA (in thousands)
13.667 SOCIAL SERVICES BLOCK GRANT

Federal Fiscal Year	Total Federal Obligations	Total State-Local Spending (1)	Persons Served (2)	Federal Staff (3) (4)
1985	$2,725,000			37
1984	$2,700,000			37
1983	$2,675,000			37
1982	$2,400,000			37
1981	$2,900,000	$900,000		200
1980	$2,700,000	$833,000	7,000	200
1979	$2,900,000	$500,000	7,200	200
1978	$2,700,000	$400,000	7,000	200
1977	$2,700,000	$400,000	6,400	200
1976	$2,500,000	$400,000		200
1975	$2,000,000	$185,000		
1974	$1,600,000	$130,000		
1973	$1,600,000	$87,500		
1972	$1,600,000	$87,500		
1971	$740,000	$70,000		
1970	$520,000	$88,750		
1969	$350,000	$73,750		
1968	$350,000	$61,250		
1967	$280,000	$48,750		
1966	$355,000			
1965	$295,000			
1964	$245,000			
1963	$195,000			
1962				
1961				
1960				

Data Sources: Title XX Social Services Block Grant program (FY 1982-1985)
Title XX Social Services Formula Grant program (FY 1976-1981)

(1) The information represents the required state match under Title XX. Since 1981, no match of state funds has been required. However, many states continue the pattern of putting state funds into these programs.
(2) The numbers contained in this column provide data on primary recipients only, rather than a count on all people receiving services. Under Title XX, a primary recipient is an individual with whom or for whom a specific goal is established and to whom services are provided for the purpose of achieving that goal. Services are considered provided to the primary recipient when they are provided to other members of the primary recipient's family to facilitate achievement of the goal of the primary recipient.
(3) Not in thousands.
(4) These figures represent an estimated pro-rated share of HDS salaries and expenses account.

HEAD START

I. PROGRAM SUMMARY

Head Start, with the aid of direct participation of parents in the program, provides a comprehensive set of services (educational, health, nutritional, and social services) intended to strengthen the abilities of disadvantaged children to succeed in school and in later life. The USDA Child Care Feeding Program provides funds to cover the cost of feeding Head Start children and the Medicaid/EPSDT program provides medical care to Medicaid enrolled children. The Head Start program is administered by the Department of Health and Human Services. States have only a modest advisory role, although local governments are sometimes selected to operate Head Start programs.

In FY 1985, about $1.075 billion was appropriated by the federal government for Head Start programs and grantees were required under the 20 percent matching formula to generate an additional $269 million in cash and in-kind contributions to fully fund the programs. The program served about 452,000 children in FY 1985. Over the past 10 years, the number of children served under Head Start has increased about 30 percent and the real costs of the program have increased about 33 percent.

The Head Start statute requires that at least 90 percent of the children served by the program must come from families with incomes at or below the federal poverty guidelines or from families receiving public assistance such as AFDC. Children found eligible remain eligible throughout the program year in which they are enrolled and the immediately succeeding program year regardless of any changes in family income.

II. ADMINISTRATION

A. Program name: Head Start.

B. Catalog of Federal Domestic Assistance No.: 13.600
Budget account number(s): 75-1636-0-1-506.

C. Current authorizing statute: 42 U.S.C. 9831-9852.

D. Location of program regulations in the Code of Federal Regulations: 45 CFR Parts 1301, 1302, 1303, 1304 and 1305.

E. Federal administering agency: Administration for Children, Youth and Families, Office of Human Development Services, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: Counties; cities; tribal organizations; private nonprofit organizations; school districts; and Community Action Agencies.

G. Subgrantee (if any) receiving program funds to provide benefits: Counties; cities; tribal organizations; private nonprofit organizations; school districts; and Community Action Agencies.

H. Allocation of federal funds.

A formula contained in the Head Start Act of 1986 prescribes the distribution of Head Start funds among states. The Act requires that 87 percent of Head Start's appropriation be distributed as follows:

Each state receives (from the 87 percent) what it received in FY 1981. The remaining funds of the 87 percent, after each state receives its FY 1981 base, are allocated to each state based on the state's number of poor children aged 0-5 relative to the number of poor children aged 0-5 in the nation (2/3 of the funds), and the state's number of children 0-18 in families receiving AFDC benefits relative to the nation's number of children 0-18 in families receiving AFDC benefits (1/3 of the funds).

Head Start grantees are required to submit an annual request for refunding to the appropriate regional office. This application is reviewed in terms of the number of children proposed to be served, services provided, and costs. The funding level for individual grantees is generally determined by using the previous year's funding level as the base, adding any appropriate increases such as cost-of-living awards, considering the grantee's prior performance level, including service provision and effective or efficient cost management, and taking into account the results of the application review process.

Funds are generally awarded to the same grantees each year, assuming they are performing in a satisfactory manner. In cases where a grantee voluntarily relinquishes the grant, or where the grantee is involuntarily terminated, qualified agencies in the community are encouraged to submit applications for replacement funding. A competitive process is used to make new awards. In addition, if Head Start receives an increase in appropriations and uses part of the increase to expand enrollment (as happened in FY 1984 and FY 1985) a competitive expansion process is used to allocate the additional funds. Head Start is not an entitlement program and federal funding is capped.

The remaining 13 percent of Head Start's appropriation is used to fund Indian and Migrant programs, programs in the Outer Pacific, and the Virgin Islands, to supplement the funds allocated to the states as discussed above, and to fund research, demonstration, and evaluation projects, training and technical assistance, and special services to the handicapped.

The Head Start Act requires a 25 percent match of the federal funds (or 20 percent of the total cost of the program) awarded for each grant under this program. The non-federal portion must be generated by grantees and may be cash or fairly valued in-kind contributions of grantee-incurred costs. The activities the grantees support must be project-related and allowable under the cost principles provided in 45 CFR Part 74, the Department's regulation on the administration of grants.

I. Role of state and local governments in administering the program.

States play no role in administering the Head Start program. However, the Governor's office has a 30 day period to review each Head Start grant awarded in his or her state. The governor may recommend that any particular grantee not be funded.

In addition, some local governments are Head Start grantees or sub-grantees (delegates). These agencies operate Head Start programs and provide the full range of services to the children they serve as do all other grantees.

J. Audit or quality control.

There are no standards for administrative efficiency in the Head Start program. However, all grantees are subject to annual audits to assure that funds are being expended only for Head Start related activities.

Costs may be disallowed if the auditor determines that Head Start funds were improperly used. All Head Start grantees are subject to the Grant Administration procedures contained in 45 CFR Part 74.

The majority of audits show no improper expenditure of federal funds by Head Start programs. In those instances where problems are encountered it is generally due to one or more of the following reasons:

- There has been a failure to provide or document the required nonfederal share;
- Expenditure reports are untimely or incorrect;
- Expenditures are not properly documented;
- There are no written operating procedures;
- The controls and operating procedures need strengthening;
- There are inadequate records to support equipment purchases;
- The salaries and wages are not supported by time and attendance reports;
- An excessive cash balance has been maintained;
- There has been interest earned on federal funds.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The objectives of Head Start, as articulated in Section 636 of the enabling legislation, are: (1) to provide "comprehensive health, educational, nutritional, social, and other services to economically disadvantaged children and their families;" (2) to provide for the direct participation of the parents of such children in the development, conduct, and overall direction of the program.

Program funds may be used to meet specific needs of low income recipients related to health, education, nutrition, social, and other services. The Head Start program is intended to strengthen the ability of the disadvantaged child to succeed in school and in later life. In addition, an essential part of the program is the involvement of parents in program planning and operating activities.

B. Allocation of program funds among various activities.

In FY 1985, a typical grantee's program funds were allocated among the various activities according to the following distribution: Education -- 42 percent; Health -- 6 percent; Nutrition -- 6 percent; Social Services -- 6 percent; Parent

Involvement -- 6 percent; Administration -- 15 percent; Occupancy -- 8 percent; Transportation -- 10 percent; Other -- 1 percent.

In addition to direct program services, approximately 2.6 percent of the Head Start budget is used for research, demonstration, and evaluation projects, training and technical assistance to grantees, and for special services to the handicapped.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

The eligibility unit is the family with a preschool child.

B. Income eligibility standards.

At least 90 percent of all children served in Head Start must come from families with income at or below the federal poverty guidelines or from families receiving public assistance. Up to 10 percent of Head Start enrolled children may be from families whose income exceeds the federal poverty guidelines.

There is no variation in eligibility standards by subgroup.

There are no disregards, deductions, or discounts from gross earned income allowed in determining eligibility. However, children and families who have been found eligible remain eligible throughout the program year in which they were enrolled and the immediately succeeding program year regardless of any changes in gross earned income.

There are no limits on assets for Head Start families.

C. Other eligibility requirements.

Participant children must be of the right age for the local Head Start programs. Usually children aged four and five participate.

The Head Start Act requires that at least 10 percent of the enrollment opportunities in each state must be made available to handicapped children. Handicapped children must meet the same income eligibility requirement as all other Head Start children.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

A Head Start program's recruitment activity may include canvassing the local community, news releases and advertising, and referrals of families by other public or private agencies. An application for enrollment of children in a Head Start program may be made at any time during the program year. Approximately 452,000 children were enrolled in Head Start during FY 1986.

B. Program benefits or services.

The Head Start program is intended to strengthen the ability of the disadvantaged child to succeed in school and later life. In addition, an essential part of the Head Start program is the involvement of parents in parent education and program planning and operating activities.

All programs must provide center-based experiences for the child and home visits to parents or a home-based program, including group experiences. All activities are designed to provide the comprehensive services necessary for meeting the child's developmental needs and the home visit activities are to enhance the parent's role in educating and nurturing their children. Benefits include health, dental, educational, nutritional, and social services to children and their families.

Eligible children enrolled in Head Start programs are entitled to participate in all activities administered by the programs. Each program takes into account such factors as age, developmental level, family situation, handicaps, health or learning problems, and previous preschool experience when developing and scheduling its activities.

Head Start programs must ensure that all handicapped children receive the full range of comprehensive services provided to all Head Start children and families. In addition, special education services and support services are provided to meet the unique needs of the individual handicapped child and his or her family. Some of the special services provided to parents of handicapped children include counseling, referrals to other agencies, parent conferences with technical staff, literature and special teaching equipment, workshops, medical assistance, and special classes. Handicapped children in Head Start are provided whatever special equipment or materials they need and are given assistance in dealing with their handicap. This assistance may be provided by Head Start personnel or from other professionals through referrals by Head Start. All handicapped children in Head Start are served in a mainstream setting so that they may interact and feel comfortable with their nonhandicapped peers. To ensure optimal transition from Head Start into public school, Head Start personnel help parents participate in developing an Individual Education Program for each handicapped child.

Most Head Start grantees operate a part-day program which may be either four or five days per week for less than six hours a day. There usually will be a minimum of 130 days of planned classroom operations per year and includes two home visits annually. A few Head Start grantees operate a full-day program for five days a week, six or more hours per day. A number of Head Start grantees operate home-based programs which usually have a minimum of one planned home visit each week and two planned group sessions for children each month. Programs attempt to provide at least one full year of service to all enrolled children and families. Some children and families receive more than one additional year of Head Start services.

C. Duration of benefits.

During FY 1984 approximately 7 percent of the children enrolled in Head Start participated for less than three months, 66 percent participated for one program year, 23 percent participated for two program years, and 4 percent participated for three program years. During FY 1985, approximately 7 percent of the children enrolled in Head Start participated for less than three months, 69 percent participated for one program year, 21 percent participated for two years, and 3 percent participated for three years.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Participation in the AFDC program provides automatic eligibility for Head Start. Participation in other assistance programs does not preclude participation in Head Start.

B. Counting assistance from other programs.

Income received in the form of public assistance (AFDC) is not counted because a family receiving public assistance is automatically eligible for Head Start. All other cash income is counted for purposes of determining eligibility.

The amount of services provided to program recipients does not increase or decrease as a result of benefits or services received from other assistance programs. Head Start does receive support from two other federal programs: Medicaid/EPSDT and the Child Care Food Program of the Department of Agriculture.

C. Overlapping authorities and benefits.

There are no other federal programs providing exactly the same services as Head Start. However, child care for low income families may be funded through the Social Services Block Grant, and reimbursed by the AFDC, Food Stamps, and WIN.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Children, Family, Drugs and Alcoholism

House of Representatives

Committee on Education and Labor
    Subcommittee on Human Resources

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal Legislation

The Economic Opportunity Act of 1964 was passed to "strengthen, supplement, and coordinate efforts to eliminate poverty in the United States." In 1966, amendments were passed making Head Start part of the Economic Opportunity Act. They also required training, technical assistance, evaluation, and follow-through to be included in Head Start. The 1972 Amendments required that at least 10 percent of enrollment opportunities be made available to handicapped children (Pub. L. 93-644, passed in 1974, required 10 percent of enrollment opportunities in each state be made available to handicapped children). The Head Start Economic Opportunity and Community Partnership Act of 1974 transferred Head Start to the Department of Health, Education and Welfare while expanding the legislative language. The 1975 amendments to this Act specified a new funding formula and established eligibility criteria. Since 1975, four additional pieces of authorizing legislation have been passed by Congress, the most recent being the Human Services Reauthorization Act of 1986 (Pub. L. 99-425) which authorizes Head Start through FY 1990.

E. Major federal implementing regulations and regulatory changes.

Head Start is governed by five Head Start specific regulations, all listed under Title 45, Chapter XII, Subchapter A. They are Parts 1301 (Head Start Grants Administration), 1302 (Policies and procedures for selection, initial funding, and refunding of Head Start grantees, and for selection of replacement grantees), and 1303 (Procedures for appeals for Head Start delegate agencies, and for opportunities to show cause and hearings for Head Start grantees), all enacted in April 1979; Part 1304 (Program performance standards for operation of Head Start programs by grantees and delegate agencies), enacted in August 1975; and Part 1305 (Eligibility requirements and limitations for enrollment in Head Start), enacted in April 1978.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands) (1)
13.600 HEAD START

	BENEFITS (2)			ADMINISTRATION (3)				
	Federal	State-local	(4)	Federal	State-local	(4)	Total	(5)
United States	$887,926	$221,986		$156,691	$39,175		$1,305,778	
Alabama	$18,170	$4,542		$3,206	$802		$26,720	
Alaska	$1,907	$477		$336	$84		$2,804	
Arizona	$7,682	$1,921		$1,356	$339		$11,298	
Arkansas	$9,273	$2,318		$1,636	$409		$13,636	
California	$84,572	$21,143		$14,924	$3,731		$124,370	
Colorado	$8,167	$2,041		$1,441	$360		$12,009	
Connecticut	$8,423	$2,106		$1,487	$372		$12,388	
Delaware	$1,869	$468		$330	$82		$2,749	
D. C.	$5,249	$1,312		$926	$232		$7,719	
Florida	$24,542	$6,136		$4,331	$1,082		$36,091	
Georgia	$21,099	$5,275		$3,723	$931		$31,028	
Hawaii	$3,341	$835		$590	$147		$4,913	
Idaho	$2,444	$611		$431	$108		$3,594	
Illinois	$44,936	$11,234		$7,930	$1,983		$66,083	
Indiana	$12,346	$3,087		$2,178	$545		$18,156	
Iowa	$6,510	$1,628		$1,149	$287		$9,574	
Kansas	$5,571	$1,393		$983	$246		$8,193	
Kentucky	$17,221	$4,305		$3,039	$760		$25,325	
Louisiana	$18,695	$4,674		$3,299	$825		$27,493	
Maine	$3,715	$929		$656	$164		$5,464	
Maryland	$11,840	$2,960		$2,089	$522		$17,411	
Massachusetts	$19,585	$4,896		$3,456	$864		$28,801	
Michigan	$36,638	$9,160		$6,466	$1,616		$53,880	
Minnesota	$9,203	$2,301		$1,624	$406		$13,534	
Mississippi	$44,093	$11,023		$7,782	$1,945		$64,843	
Missouri	$15,435	$3,859		$2,723	$681		$22,698	
Montana	$2,223	$556		$392	$98		$3,269	
Nebraska	$3,570	$893		$630	$158		$5,251	
Nevada	$1,259	$315		$222	$56		$1,852	
New Hampshire	$1,692	$423		$299	$75		$2,489	
New Jersey	$26,193	$6,548		$4,622	$1,156		$38,519	
New Mexico	$5,256	$1,314		$927	$232		$7,729	
New York	$65,681	$16,420		$11,591	$2,898		$96,590	
N. Carolina	$18,771	$4,693		$3,312	$828		$27,604	
N. Dakota	$1,290	$323		$228	$57		$1,898	
Ohio	$36,294	$9,073		$6,405	$1,601		$53,373	
Oklahoma	$10,658	$2,664		$1,881	$470		$15,673	
Oregon	$7,040	$1,760		$1,242	$311		$10,353	
Pennsylvania	$37,727	$9,432		$6,658	$1,664		$55,481	
Rhode Island	$2,892	$723		$510	$128		$4,253	
S. Carolina	$11,631	$2,908		$2,052	$513		$17,104	
S. Dakota	$2,044	$511		$361	$90		$3,006	
Tennessee	$15,739	$3,935		$2,777	$694		$23,145	
Texas	$40,083	$10,021		$7,073	$1,768		$58,945	
Utah	$3,675	$918		$649	$162		$5,404	
Vermont	$1,760	$440		$311	$78		$2,589	
Virginia	$12,611	$3,153		$2,225	$556		$18,545	
Washington	$9,834	$2,458		$1,735	$434		$14,461	
W. Virginia	$7,582	$1,896		$1,338	$335		$11,151	
Wisconsin	$13,000	$3,250		$2,294	$574		$19,118	
Wyoming	$1,176	$294		$208	$52		$1,730	
Puerto Rico	$36,390	$9,098		$6,422	$1,605		$53,515	
Virgin Islands	$1,864	$466		$329	$82		$2,741	
Indians	$31,813	$7,954		$5,615	$1,404		$46,786	
Migrants	$33,047	$8,262		$5,832	$1,458		$48,599	
Outer Pacific	$2,605	$651		$460	$115		$3,831	

Data Sources: Grant awards.

(1) The data represent grant awards, and are not consistent with Table XI which is based on obligations.
(2) Benefits are defined as those costs which directly support the provision of health, dental, nutritional, educational, and social services to Head Start children and their families. These costs include the salaries of staff who directly provide these services.
(3) Administrative costs are those costs which indirectly support the provision of services and include, for example, the salaries of office clerical staff and part of the salaries of directors. These estimates reflect 15 percent of funds, the maximum allowed for administration.
(4) The data are estimates based on the statutory requirement that at least 20 percent of funds be provided by local programs.
(5) In addition, Head Start awarded $28.1 million in FY 1985 for Research, Demonstration, and Evaluation projects, training and technical assistance to grantees, and special services to handicapped children. Precise data on the amount of theses funds spent in each state are not available.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands) (1)
13.600 HEAD START

	BENEFITS (2)			ADMINISTRATION (3)				
	Federal	State-local	(4)	Federal	State-local	(4)	Total	(5)
United States	$822,587	$205,651		$142,603	$38,856		$1,209,697	
Alabama	$16,982	$4,240		$2,983	$748		$24,943	
Alaska	$1,776	$444		$313	$78		$2,611	
Arizona	$6,964	$1,741		$1,229	$307		$10,241	
Arkansas	$8,587	$2,147		$1,516	$379		$12,629	
California	$77,192	$19,298		$13,622	$3,406		$113,518	
Colorado	$7,632	$1,908		$1,347	$337		$11,224	
Connecticut	$7,960	$1,990		$1,405	$351		$11,706	
Delaware	$1,732	$433		$306	$76		$2,547	
D. C.	$5,011	$1,253		$884	$221		$7,369	
Florida	$22,383	$5,596		$3,950	$987		$32,916	
Georgia	$19,370	$4,842		$855	$3,418		$28,485	
Hawaii	$3,069	$767		$542	$135		$4,513	
Idaho	$2,257	$565		$399	$100		$3,321	
Illinois	$41,203	$10,301		$7,271	$1,818		$60,593	
Indiana	$11,352	$2,838		$2,003	$501		$16,694	
Iowa	$6,015	$1,504		$1,062	$265		$8,846	
Kansas	$5,151	$1,288		$909	$227		$7,575	
Kentucky	$16,281	$4,065		$2,870	$717		$23,913	
Louisiana	$17,197	$4,299		$3,035	$759		$25,290	
Maine	$3,478	$870		$614	$153		$5,115	
Maryland	$11,024	$2,756		$1,945	$486		$16,211	
Massachusetts	$18,622	$4,656		$3,286	$822		$27,386	
Michigan	$33,771	$8,443		$5,960	$1,490		$49,664	
Minnesota	$8,656	$2,164		$1,528	$382		$12,730	
Mississippi	$43,335	$10,834		$7,647	$1,912		$63,728	
Missouri	$14,340	$3,585		$2,531	$633		$21,089	
Montana	$2,063	$516		$364	$91		$3,034	
Nebraska	$3,300	$825		$582	$146		$4,853	
Nevada	$1,148	$287		$203	$51		$1,689	
New Hampshire	$1,569	$393		$277	$69		$2,308	
New Jersey	$24,562	$6,141		$4,335	$1,084		$36,122	
New Mexico	$4,837	$1,209		$854	$213		$7,113	
New York	$60,036	$15,009		$10,595	$2,649		$88,289	
N. Carolina	$17,744	$4,436		$3,131	$783		$26,094	
N. Dakota	$1,171	$293		$207	$52		$1,723	
Ohio	$33,147	$8,287		$5,849	$1,462		$48,745	
Oklahoma	$10,014	$2,503		$1,767	$442		$14,726	
Oregon	$6,589	$1,647		$1,163	$291		$9,690	
Pennsylvania	$35,063	$8,766		$6,188	$1,547		$51,564	
Rhode Island	$2,700	$675		$476	$119		$3,970	
S. Carolina	$10,672	$2,668		$1,883	$471		$15,694	
S. Dakota	$1,887	$472		$333	$83		$2,775	
Tennessee	$14,617	$3,654		$2,579	$645		$21,495	
Texas	$36,940	$9,235		$6,519	$1,630		$54,324	
Utah	$3,371	$843		$595	$149		$4,958	
Vermont	$1,630	$408		$288	$72		$2,398	
Virginia	$11,676	$2,919		$2,060	$515		$17,170	
Washington	$9,307	$2,327		$1,642	$411		$13,687	
W. Virginia	$7,099	$1,775		$1,253	$313		$10,440	
Wisconsin	$11,824	$2,956		$2,087	$522		$17,389	
Wyoming	$1,074	$268		$189	$47		$1,578	
Puerto Rico	$33,152	$8,288		$5,850	$1,463		$48,753	
Virgin Islands	$1,745	$436		$308	$77		$2,566	
Indians	$29,953	$7,489		$5,286	$1,322		$44,050	
Migrants	$30,088	$7,522		$5,310	$1,327		$44,247	
Outer Pacific	$2,309	$577		$408	$102		$3,396	

Data Sources: Grant awards.

(1) The data represent grant awards, and are not consistent with Table XI which is based on obligations.
(2) Benefits are defined as those costs which directly support the provision of health, dental, nutritional, educational, and social services to Head Start children and their families. These costs include the salaries of staff who directly provide these services.
(3) Administrative costs are those costs which indirectly support the provision of services and include, for example, the salaries of office clerical staff and part of the salaries of directors. These estimates reflect 15 percent of funds, the maximum allowed for administration.
(4) The data are estimates based on the statutory requirement that at least 20 percent of funds be provided by local programs.
(5) In addition, Head Start awarded $28 million in FY 1984 for Research, Demonstration, and Evaluation projects, training and technical assistance to grantees, and special services to handicapped children. Precise data on the amount of theses funds spent in each state are not available.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
13.600 HEAD START

	Children Served	(1)	Handicapped or Disabled	(2)
United States	450,452		55,425	
Alabama	10,537		1,072	
Alaska	800		80	
Arizona	3,532		400	
Arkansas	5,981		754	
California	34,381		3,608	
Colorado	4,715		597	
Connecticut	4,242		523	
Delaware	871		130	
D. C.	2,099		248	
Florida	13,085		1,523	
Georgia	10,918		1,309	
Hawaii	1,401		172	
Idaho	1,216		240	
Illinois	22,078		2,413	
Indiana	8,867		965	
Iowa	3,671		564	
Kansas	3,319		542	
Kentucky	10,498		1,180	
Louisiana	10,613		1,183	
Maine	1,701		311	
Maryland	5,216		707	
Massachusetts	7,853		1,248	
Michigan	20,015		2,228	
Minnesota	4,858		594	
Mississippi	27,999		3,041	
Missouri	8,758		1,505	
Montana	1,177		158	
Nebraska	2,043		367	
Nevada	574		73	
New Hampshire	783		111	
New Jersey	9,780		1,136	
New Mexico	3,805		386	
New York	24,300		2,677	
N. Carolina	10,607		1,383	
N. Dakota	727		112	
Ohio	21,306		2,993	
Oklahoma	7,229		1,069	
Oregon	2,925		472	
Pennsylvania	16,125		2,794	
Rhode Island	1,393		191	
S. Carolina	6,744		786	
S. Dakota	1,097		133	
Tennessee	8,790		1,089	
Texas	22,432		3,056	
Utah	2,033		269	
Vermont	913		130	
Virginia	5,820		788	
Washington	4,347		694	
W. Virginia	4,143		674	
Wisconsin	6,691		845	
Wyoming	698		91	
Puerto Rico	19,001		2,102	
Virgin Islands	1,089		58	
Indians	13,874		1,598	
Migrants	18,397		1,897	
Outer Pacific	4,405		176	

Data Sources: Grant award documents; and the Head Start Program Information Report

(1) Based on unduplicated annual count.
(2) A handicapped child in Head Start is one who has been professionally diagnosed as handicapped and who, by reason of the handicap, requires special education and related services.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
13.600 HEAD START

	Children Served (1)	Handicapped or Disabled (2)
United States	442,137	55,304
Alabama	10,634	1,222
Alaska	776	68
Arizona	3,276	362
Arkansas	5,855	758
California	32,729	3,410
Colorado	4,868	665
Connecticut	4,227	464
Delaware	900	172
D. C.	1,934	227
Florida	12,545	1,494
Georgia	10,622	1,355
Hawaii	1,331	161
Idaho	1,183	292
Illinois	21,244	2,326
Indiana	6,630	925
Iowa	3,501	618
Kansas	3,230	497
Kentucky	10,453	1,237
Louisiana	10,331	1,235
Maine	1,675	322
Maryland	5,660	879
Massachusetts	7,843	1,133
Michigan	19,448	2,190
Minnesota	4,850	611
Mississippi	28,139	3,081
Missouri	8,649	1,337
Montana	1,145	150
Nebraska	1,975	384
Nevada	544	105
New Hampshire	754	124
New Jersey	9,659	1,176
New Mexico	3,734	397
New York	24,144	2,784
N. Carolina	10,780	1,402
N. Dakota	666	105
Ohio	20,613	2,801
Oklahoma	7,191	1,113
Oregon	2,956	511
Pennsylvania	16,797	2,588
Rhode Island	1,382	193
S. Carolina	6,548	771
S. Dakota	1,054	163
Tennessee	8,718	1,192
Texas	21,672	2,414
Utah	1,967	260
Vermont	907	140
Virginia	5,652	921
Washington	4,328	645
W. Virginia	4,064	686
Wisconsin	6,444	779
Wyoming	668	94
Puerto Rico	17,829	1,952
Virgin Islands	1,069	69
Indians	13,936	1,598
Migrants	18,141	2,598
Outer Pacific	4,179	168

Data Sources: Grant award documents; and the Head Start Program Information Report

(1) Based on unduplicated annual count.
(2) A handicapped child in Head Start is one who has been professionally diagnosed as handicapped and one who, by reason of the handicap, requires special education and related services.

X. A. MEAN FY 85 COSTS PER UNIT SERVED
13.600 HEAD START

	Benefits	Administration	(1)	Total
United States	$2,464	$435		$2,899
Alabama	$1,725	$304		$2,029
Alaska	$2,383	$420		$2,803
Arizona	$2,194	$387		$2,581
Arkansas	$1,550	$274		$1,824
California	$2,461	$434		$2,895
Colorado	$1,745	$308		$2,053
Connecticut	$1,995	$352		$2,347
Delaware	$2,145	$379		$2,524
D. C.	$2,862	$505		$3,367
Florida	$1,879	$331		$2,210
Georgia	$1,933	$341		$2,274
Hawaii	$2,384	$421		$2,805
Idaho	$2,010	$355		$2,365
Illinois	$2,036	$359		$2,395
Indiana	$1,798	$317		$2,115
Iowa	$1,786	$315		$2,101
Kansas	$1,704	$301		$2,005
Kentucky	$1,647	$291		$1,938
Louisiana	$1,769	$312		$2,081
Maine	$2,185	$385		$2,570
Maryland	$2,270	$400		$2,670
Massachusetts	$2,499	$441		$2,940
Michigan	$1,831	$323		$2,154
Minnesota	$1,895	$334		$2,229
Mississippi	$1,575	$278		$1,853
Missouri	$1,775	$313		$2,088
Montana	$1,889	$333		$2,222
Nebraska	$1,765	$312		$2,077
Nevada	$2,193	$387		$2,580
New Hampshire	$2,161	$381		$2,542
New Jersey	$2,748	$485		$3,233
New Mexico	$1,381	$244		$1,625
New York	$2,799	$494		$3,293
North Carolina	$1,770	$312		$2,082
North Dakota	$1,826	$322		$2,148
Ohio	$1,703	$301		$2,004
Oklahoma	$1,487	$262		$1,749
Oregon	$2,406	$425		$2,831
Pennsylvania	$2,360	$416		$2,776
Rhode Island	$2,077	$366		$2,443
S. Carolina	$1,726	$304		$2,030
S. Dakota	$1,863	$329		$2,192
Tennessee	$1,790	$316		$2,106
Texas	$1,790	$316		$2,106
Utah	$1,818	$321		$2,139
Vermont	$1,928	$340		$2,268
Virginia	$2,411	$426		$2,837
Washington	$2,262	$399		$2,661
W. Virginia	$1,919	$339		$2,258
Wisconsin	$1,943	$343		$2,286
Wyoming	$1,686	$298		$1,984
Puerto Rico	$1,915	$338		$2,253
Indians	$2,293	$405		$2,698
Migrants	$1,796	$317		$2,113
Virgin Islands	$1,712	$302		$2,014
Outer Pacific	$613	$108		$721

Data Source: Head Start Information Report and grant award documents.

(1) These data are calculated assuming 15 percent for administration in each state.

X. B. MEAN FY 84 COSTS PER UNIT SERVED
13.600 HEAD START

	Benefits	Administration (1)	Total
United States	$2,326	$410	$2,736
Alabama	$1,635	$288	$1,923
Alaska	$2,288	$404	$2,692
Arizona	$2,126	$375	$2,501
Arkansas	$1,467	$259	$1,726
California	$2,359	$416	$2,775
Colorado	$1,573	$278	$1,851
Connecticut	$1,901	$336	$2,237
Delaware	$2,134	$376	$2,510
D. C.	$2,755	$486	$3,241
Florida	$1,790	$316	$2,106
Georgia	$1,842	$325	$2,167
Hawaii	$2,305	$407	$2,712
Idaho	$1,909	$337	$2,246
Illinois	$1,947	$343	$2,290
Indiana	$1,730	$305	$2,035
Iowa	$1,705	$301	$2,006
Kansas	$1,620	$286	$1,906
Kentucky	$1,559	$275	$1,834
Louisiana	$1,675	$295	$1,970
Maine	$2,133	$376	$2,509
Maryland	$2,173	$384	$2,557
Massachusetts	$2,387	$421	$2,808
Michigan	$1,748	$308	$2,056
Minnesota	$1,808	$315	$2,123
Mississippi	$1,548	$273	$1,821
Missouri	$1,688	$298	$1,986
Montana	$1,802	$318	$2,120
Nebraksa	$1,690	$298	$1,988
Nevada	$2,110	$372	$2,482
New Hampshire	$2,081	$367	$2,448
New Jersey	$2,680	$473	$3,153
New Mexico	$1,295	$229	$1,524
New York	$2,732	$482	$3,214
North Carolina	$1,680	$296	$1,976
North Dakota	$1,759	$310	$2,069
Ohio	$1,618	$286	$1,904
Oklahoma	$1,404	$248	$1,652
Oregon	$2,275	$402	$2,677
Pennsylvania	$2,272	$401	$2,673
Rhode Island	$1,979	$349	$2,328
S. Carolina	$1,634	$288	$1,922
S. Dakota	$1,790	$316	$2,106
Tennessee	$1,696	$299	$1,995
Texas	$1,708	$301	$2,009
Utah	$1,714	$302	$2,016
Vermont	$1,838	$324	$2,162
Virginia	$2,345	$414	$2,759
Washington	$2,151	$380	$2,531
W. Virginia	$1,839	$324	$2,163
Wisconsin	$1,847	$326	$2,173
Wyoming	$1,607	$283	$1,890
Puerto Rico	$1,860	$328	$2,188
Indians	$2,150	$379	$2,529
Migrants	$1,658	$293	$1,951
Virgin Islands	$1,633	$288	$1,921
Outer Pacific	$572	$101	$673

Data Sources: Head Start Program Information Report and grant award documents

(1) These data are calculated estimating 15 percent for administration in each state.

XI. HISTORICAL DATA (Dollars in thousands)
13.600 HEAD START

Federal Fiscal Year	Total Federal Obligations	Total State-Local Spending	(1)	Persons Served	(2)	Federal Staff
1985	$1,075,059	$268,765		452,080		176
1984	$995,750	$248,938		442,140		180
1983	$912,000	$228,000		414,950		193
1982	$911,700	$227,925		395,800		
1981	$818,700	$204,675		387,300		
1980	$735,000	$183,750		376,300		
1979	$680,000	$170,000		387,500		
1978	$625,000	$156,250		391,400		
1977	$475,000	$118,750		333,000		
1976	$441,000	$110,250		349,000		
1975	$403,900	$100,975		349,000		
1974	$403,900	$100,975		352,800		
1973	$400,700	$100,175		379,000		
1972	$376,300	$94,075		379,000		
1971	$360,000	$90,000		397,500		
1970	$325,700	$81,425		447,000		
1969	$333,900	$83,475		663,800		
1968	$316,200	$79,050		693,900		
1967	$349,200	$87,300		681,400		
1966	$198,900	$49,725		733,000		
1965	$96,400	$24,100		561,000		
1964						
1963						
1962						
1961						
1960						

Data Sources: Appropriations, grant award documents.

(1) These figures assume that all programs provided exactly the 25 percent match required by law.
(2) Based on unduplicated annual count.

COMMUNITY SERVICES BLOCK GRANT

I. PROGRAM SUMMARY

The Community Services Block Grant (CSBG) makes federal funds available to states, insular areas, and Indian tribes and tribal organizations to help address the causes of poverty in communities. States and the other primary grantees may provide the services they feel best meet the needs of the low income population and, within broad federal guidelines, they have the discretion to allocate funds based on state priorities. Local Community Action Agencies (CAAs) -- governed by voluntary boards made up of public officials, and members of nonprofit organizations and the low income community -- are primarily responsible for delivering the services.

In FY 1985, $334 million was allocated to states and tribes under the CSBG. The federal government provides full funding for the CSBG using formula grants; the formula is based on allocations to states in FY 1981 under the former Community Services Administration. Up to 9 percent of the total amount appropriated each year is available to the Secretary of Health and Human Services to fund a separate Discretionary Grants Program. Federal rules require that states use no more than 5 percent of their allocations for state administrative expenses and that at least 90 percent be awarded to CAAs (or organizations that serve seasonal and migrant farmworkers).

In determining eligibility, the CSBG statute requires that the federal poverty guidelines be used as one criterion. The law permits states to set their income eligibility limits up to 125 percent of the federal poverty guidelines and to set all other eligibility criteria.

States are free to fund the services and activities that they believe promote the self-sufficiency of low income persons. In general, CSBG services seek improvements in areas of employment, education, budgeting, housing, nutrition, energy, emergency services, and health. In particular, CSBG benefits include little or no cash assistance and instead feature services such as information, referrals, outreach, and local program coordination.

The current CSBG is a residual of the Economic Opportunity Act (EOA) of 1964, which created new programs to assist low income persons and helped establish hundreds of local CAAs. Administration of many programs initially authorized by EOA, including Head Start and Legal Services, has been dispersed at the federal level. Many are still delivered locally through CAAs.

II. ADMINISTRATION

A. Program name: Community Services Block Grant.

B. Catalog of Federal Domestic Assistance No.: 13.665
Budget account number(s): 75-1504-0-1-506

C. Current authorizing statute: 42 U.S.C. 9901-1-12 (Pub. L. 97-35, Omnibus Reconciliation Act of 1981 as amended by Pub. L. 98-558, Human Services Reauthorization Act of 1984).

D. Location of program regulations in the Code of Federal Regulations: 45 CFR Parts 16, 74, and 98.

E. Federal administering agency: Family Support Administration (FSA), Department of Health and Human Services (HHS).

F. Primary grantee (if any) receiving program funds to provide benefits: States; tribal organizations; insular areas.

G. Subgrantee (if any) receiving program funds to provide benefits: States; counties; cities; tribal organizations; private nonprofit organizations; Community Action Agencies.

H. Allocation of federal funds.

CSBG grants are formula grants. HHS determines the amount of funds to be allocated as block grants to each state in accordance with the formula set forth in Section 674(a)(1)(B) of the statute. Up to 9 percent of the amount appropriated each fiscal year is available to the Secretary for a Discretionary Program. One half of 1 percent of the CSBG appropriation is apportioned on the basis of need among Guam, American Samoa, the Virgin Islans, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. Of the remaining amount, each state, including the District of Columbia and the Commonwealth of Puerto Rico, is allotted an amount which represents the same proportion of the total funds available as the state received in FY 1981 under Section 221 of the Economic Opportunity Act of 1964. No state or territory receives less than one quarter of 1 percent of the amount appropriated.

CSBG funds are also awarded directly to the governing body of Indian tribes or tribal organizations upon application by a tribe. Only state-recognized tribes, as evidenced by a statement to the effect by the Governor, or tribes formally recognized by the Secretary of the Department of Interior are eligible to receive direct grants. Allocations for Indian tribes are subtracted from the allotment of the state in which the tribe is located and are based in part on the eligible Indian population.

No more than the greater of 5 percent or $55,000 of each state's allocation may be used annually for administrative expenses at the state level. States may transfer up to 5 percent of their allocation for services under the Older Americans Act, the Head Start Program, the Low-Income Home Energy Assistance Program, or the Temporary Emergency Food Assistance Program.

States are required to use at least 90 percent of their allocations for awards to "eligible entities" as defined in the CSBG Act, as amended. In most cases these entities are locally-based Community Action Agencies or organizations that serve seasonal or migrant farmworkers. Under Pub. L. 98-558, the Human Services Reauthorization Act, states are allowed to award up to 7 percent of the funds made available under Section 675(a)(2)(4)(i) to organizations which were not eligible entities in the previous fiscal year.

A Community Action Agency (CAA) can be a public or private nonprofit agency or organization. Each CAA administers its programs at the direction of a Board of Directors of whom one-third are elected public officials, at least one-third are representatives of the poor in the area served, and the remainder are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

I. Role of state and local governments in administering the program.

State governments play a key role in administering the CSBG program. First, to receive CSBG funding, the state must submit an application to HHS. In the application, the chief executive officer of the state must certify to the assurances contained in the statute and submit a plan which includes a description of how the state will carry out each of the assurances. The Secretary of HHS may not prescribe the manner in which a state carries out the assurances.

Second, under the block grant approach, states are the primary interpreters of the law. The block grant regulation at 45 CFR 96.50(e) states, "In resolving any issue raised by a complaint or a federal audit or review, the Department will defer to a state's interpretation of block grant statutes unless the interpretation is clearly erroneous."

The core management functions performed by states include the following:

- Planning and developing of the state's statement of purpose and mission, identifying resources, setting program priorities, and analyzing poverty problems;
- Developing funding applications and related regulations, guidelines, and materials;
- Identifying, negotiating with, and funding sub-grantees and contractors;

- Developing and implementing policies, procedures and reporting requirements necessary for programmatic, financial, board, and personnel operations;
- Monitoring and evaluating sub-grantee and state level programs as these relate to program cost, performance, and impact;
- Providing training and technical assistance related to work program implementation and management functions at state and sub-state grantee level;
- Conducting audits of the uses of block grant funds.

To administer the CSBG program at the local level, states make grants or contracts the eligible entities which are primarily Community Action Agencies.

J. Audit or quality control.

The Community Services Block Grant statute requires recipients of CSBG grants to:

- Expend no greater than 5 percent or $55,000 of each year's allotment for administrative expenses;
- Meet the conditions of the Single Audit Act (Public Act 98-502);
- Establish fiscal and accounting procedures to assure the proper disbursal and accounting for federal funds, including procedures for monitoring the assistance provided under this program;

The Single Audit Act (32 U.S.C. 7501) requires an annual audit of federal program funds. This audit must be conducted in accordance with the Comptroller General's standards and submitted to HHS within 30 days after completion.

The CSBG statute requires the state to repay to the United States amounts found to be expended not in accordance with the statute or the state plan. Such amounts are normally identified in the audit required by the state. If the federal government determines that the standards are not met, it may pursue two options: seeking repayment of misspent funds or, in the case of a finding of substantial noncompliance, withholding federal funds (after a process which involves legal review and hearings). It has not been necessary for the Family Support Administration (FSA) to impose either penalty.

Also, in compliance with Section 677(1) of the CSBG Act, Program Implementation Assessments are conducted to obtain information on the uses of CSBG funds, determine how assurances are being met, provide states feedback on how they are meeting the requirements of the block grant statute, and describe how funds and assurances have translated into services to the poor. The major thrust of this effort is to gather, with as a little burden as possible, information from several (10) states each fiscal year.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

CSBG funds are made available to states and Indian tribes or tribal organizations to "ameliorate the causes of poverty in communities." (Section 672(a)).

Each recipient agrees to use the CSBG funds to:

(A) to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or those areas of the community where poverty is a particularly acute problem;

(B) to provide activities designed to assist low income participants including the elderly poor --

- (i) to secure and retain meaningful employment;
- (ii) to attain an adequate education;
- (iii) to make better use of available income;
- (iv) to obtain and maintain adequate housing and a suitable living environment;
- (v) to obtain emergency assistance through loans or grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and employment-related assistance;
- (vi) to remove obstacles and solve problems which block the achievement of self-sufficiency;
- (vii) to achieve greater participation in the affairs of the community; and
- (viii) to make more effective use of other programs related to the purposes of this subtitle;

(C) to provide on an emergency basis for the provision of such supplies and services, nutritious foodstuffs, and related services, as may be necessary to counteract conditions of starvation and malnutrition among the poor;

(D) to coordinate and establish linkages between governmental and other social services programs to assure the effective delivery of such services to low income individuals;

(E) to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

C. Allocation of program funds among activities.

States have the discretion to allocate funds, within statutory limits, to the various activities and services based on state priorities. There is no standardized formula for distribution of CSBG funds by the states.

A study by the Center for Local and Community Resources contains the most current information available on how states allocated CSBG funds in FY 1985.

This study collected information on the dollars in the seven program categories contained in the CSBG statute. Forty states reported the following:

PROGRAM CATEGORY	FY 1985 CSBG FUNDS SPENT	Percent of Total	PERSONS ASSISTED	Percent of Total
1. Employment	$27,738,353	11.9%	1,003,187	1.9%
2. Education	22,222,070	9.5%	2,141,575	4.1%
3. Better Use of Available Income	17,372,877	7.4%	3,926,750	7.5%
4. Housing	19,213,736	8.2%	1,014,078	1.9%
5. Emergency Services	45,997,496	19.7%	5,831,412	11.2%
6. Nutrition	35,961,954	15.4%	26,418,077	50.8%
7. Linkages With Other Programs	64,913,228	27.8%	11,685,810	22.5%

(Represents about 40 percent of all CSBG funds to states. Since a person may be assisted in more than one program category, the numbers of persons assisted do not sum to an unduplicated total.)

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

The CSBG statute refers to "low-income participants including the elderly poor" and "those areas of the Community where poverty is a particularly acute problem."

Because the CSBG statutory purpose is to "ameliorate the causes of poverty in communities," the unit of eligibility for program benefits may be low income households, families, individuals of all ages, and disabled, homeless, or unemployed persons.

B. Income eligibility standards.

Recipients of CSBG funds are required by statute to use the federal poverty guidelines as one criterion of eligibility in CSBG programs.

States may revise the income eligibility standard, not to exceed 125 percent of the federal poverty guidelines, if the state determines that such a change would serve the objectives of the block grant.

C. Other eligibility requirements.

States may set other requirements for eligibility.

D. Other income a recipient unit is required or expected to spend to receive benefits.

There is no federal CSBG requirement that a recipient unit spend an amount or proportion of other income in order to receive CSBG benefits.

V. BENEFITS AND SERVICES

A. Program intake processes.

Most program intake is through voluntary applications with some referrals from a third party.

The major local administering agency or service provider is the Community Action Agency (CAA). CAAs are essentially multi-program centers with outreach to and input from the communities they serve. Their primary mission is to obtain and link public with private resources and focus these resources on the specific causes and conditions of poverty in their communities.

A variety of other service providers are funded by states, but the numbers of such sub-state grantees are minimal.

B. Program benefits or services.

Consistent with the assurances made by the Governors, states have the flexibility to provide any services or activities they feel best meet the needs of low income families and individuals. Examples of services and activities funded follows:

1. Employment: Job Counseling, Information and Referral, Job Placement, On-the-Job Training Projects, Job Banks, Ex-offender Programs, Summer Youth Employment, and Private Enterprise/Local Government Joint Employment Ventures.

2. Education: Adult Basic Education Courses; GED Instructions; Information and Referral about Educational Opportunities; Day Care and Child Development; Special Work Shops; Conferences and Seminars; Tutoring; General Education; Counseling; Guidance.

3. Better Use of Available Income: Income Tax Counseling and Preparation; Information and Referral on Income Management; Workshops and Forums on Residential Energy Conservation, Weatherization, and Alternative Energy Devices; Money Management; Credit and Consumer Issues.

4. Housing: Home Ownership Counseling; Workshops on Home Maintenance and Repair, Safety Code Standards, Loan Preparation, and Landlord Tenant Relations; Information Referral about Housing Programs.

5. Nutrition: Surplus Food Distribution; Operation of Food Pantries; Garden Projects; Operation of Canneries and Food Processing; Nutrition Counseling, Information Dissemination on Nutrition and Diet; Congregate or Home Delivered Meals.

6. Energy: Fuel Assistance; Home Weatherization; Energy Crisis Relief; Interagency Coordination to Mobilize Energy Resources; Workshops and Counseling on Energy Conservation and Weatherization.

7. Emergency Assistance: Disaster Relief Services; Emergency Loans; Supplemental LIHEAP Crisis Intervention; Aid for the Homeless; Donation of Food, Clothing, and Furniture; Crisis "Hot Lines;" Emergency Medical Assistance.

8. Health: Information Referral on Available Health Services; Transportation Projects to Meet the Needs of the Elderly, Handicapped, and the Low-Income; Alcoholism Treatment; Visiting Nurse Services; Dental Diagnosis and Treatment.

The factors, conditions, criteria, and formulas used to determine the amount of CSBG benefits recipients receive are established by the states, usually by the office administering the CSBG program. Local CSBG agencies provide few or no transfer payments and very few cash grants or loans.

C. Duration of benefits.

No information is available on average duration of participation. There are no federally-imposed statutory or regulatory participation limitations on the CSBG program. States have the discretionary authority to set such limitations in individual CSBG programs.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

There is no federally-imposed statutory or regulatory provision for categorical or automatic eligibility in the CSBG program, although states may provide for either type of eligibility.

B. Counting assistance from other programs.

The federal poverty guidelines must be used by the states as a criterion of eligibility for CSBG programs. The guideline contains certain prohibitions, set forth below:

> "income does not include the following money receipts: capital gains; any assets drawn down as withdrawals from a bank, the sale of property, a house, or a car; tax refunds, gifts, lump-sum inheritances, one-time insurance payments, or compensation for injury. Also excluded are non-cash benefits, such as the employer-paid or union-paid portion of health insurance or other employee fringe benefits, food or rent received in lieu of wages, the value of food and fuel produced and consumed on farms, the imputed value of rent from owner-occupied nonfarm or farm housing, and such federal noncash benefit programs as Medicare, Medicaid, Food Stamps, school lunches, and housing assistance."

Some state or local operators may have established other prohibitions on counting the income or resources.

C. Overlapping authorities and benefits.

All federal programs that serve the poverty population are authorized to serve the same population as CSBG. More specifically, programs providing cash and non-cash benefits to low income people for nutrition, housing, employment, and education all provide similar kinds of services to the same population as CSBG.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Children, Family Drugs and Alcoholism

House of Representative

Committee on Education and Labor
    Subcommittee on Human Resources

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Services

C. Other committees and subcommittees holding hearings on this program within the past two years.

House of Representatives

Committee on Government Operations
    Subcommittee on Intergovernmental Relations and Human Resources

D. Federal legislation.

The Economic Opportunity Act was enacted on August 20, 1964. Its declaration of purpose stated, "it is, therefore, the policy of the United States to eliminate the paradox of poverty in the midst of plenty in this Nation, of opening to everyone the opportunity for education and training, the opportunity to work, and the opportunity to live in decency and dignity."

The principal programs established by the EOA were:

1. Research and Demonstrations
2. Urban and Rural Community Action Programs
3. Community Food and Nutrition
4. Senior Opportunities and Services
5. Environmental Action
6. Rural Housing Development and Rehabilitation
7. Emergency and Medical Services
8. Summer Youth Recreation
9. Neighborhood Centers
10. National Youth Sports Program
11. Consumer Action and Cooperative Programs
12. Technical Assistance and Training
13. State Agency Assistance
14. Family Planning Services
15. Rural Development Loan Programs
16. Comprehensive Health Services
17. Migrant and Seasonal Farmworker Assistance

18. Head Start and Follow Through
19. Community Economic Development
20. Alcohol and Drug Abuse
21. Neighborhood Youth Corps
22. New Careers Employment
23. Mainstream Employment
24. Volunteers in Service to America
25. Foster Grandparents
26. Upward Bound
27. Adult Basic Education
28. Native American Programs
29. Legal Services
30. Job Corps

The EOA was amended in 1974 by the enactment of the Community Services Act of 1974 which established the Community Services Administration as the successor authority to the Office of Economic Opportunity.

The Community Services Act added a new program: Emergency Energy Conservation Services. This CSA program is now administered as the Weatherization Program by the Department of Energy and the Low Income Home Energy Assistance Program by the Department of Health and Human Services. The Act also formally transferred the administration of the Head Start program to the Department of Health, Education and Welfare; Head Start had been delegated from OEO to DHEW in 1969.

In fact, many of the OEO programs are now administered by other federal agencies. For example, VISTA and Foster Grandparents are administered by ACTION, Head Start by the Department of Health and Human Services, Job Crops, and Migrant and Seasonal Farmworker Programs by the Department of Labor, and Emergency Food by the Department of Agriculture.

In 1974, the Legal Services Corporation Act was enacted. This Act established a private, nonmembership, nonprofit corporation to provide financial support for legal assistance in noncriminal proceedings to persons unable to afford legal assistance.

The Omnibus Reconciliation Act of 1981 (Pub. L. 97-35) created the Community Services Block Grant (CSBG) program. The Older American Act of 1981 (Pub. L. 97-115) expanded the CSBG statutory definition of "eligible entity" to include limited purpose agencies.

The October 2, 1982, Continuing Resolution (Pub. L. 97-276) required states to provide 90 percent of their CSBG allotments to make grants to "eligible entities."

The January 21, 1983, Continuing Resolution (Pub. L. 97-377) increased the CSBG allotment to states for FY 1983 and provided for a waiver of the statutory provision in the CSBG Act on expending 90 percent of the CSBG allotment to eligible entities.

The March 26, 1983, Pub. L. 98-3, the Emergency Jobs Bill, provided $25 million of supplemental funds to extend humanitarian services to the unemployed and disadvantaged under the CSBG program.

The Human Services Reauthorization Act of 1984 (Pub. L. 98-558) reauthorized the CSBG program through FY 1986. The major changes in the program included an expanded definition of the term "eligible entities" and provided a mechanism for Governors to create new "eligible entities." It also added a new assurance (675 (c)(11)) which provided for notice, hearings on the record, and appeals of termination for funding for "eligible entities" by states.

E. Major federal implementing regulations and regulatory changes.

The July 6, 1982 Federal Register contains the only federal implementing regulations for the CSBG program.

The preamble to the CSBG regulations states: "The Secretary has determined that the Department should implement the block grant programs in a manner that is fully consistent with the Congressional intent to enlarge the states' ability to control use of the funds involved...The states will...be subject only to the statutory requirements, and the Department will carry out its functions with due regard for the limited nature of the role that Congress has assigned to us."

Consistent with the block grant approach, the regulation states, "...a state shall obligate and expend block grant funds in accordance with the laws and procedures applicable to obligation and expenditure of its own funds." The states are primarily responsible for interpreting the governing statute; the Department defers to the state's interpretation of the statute unless the interpretation is clearly erroneous.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (In thousands)
13.665 COMMUNITY SERVICES BLOCK GRANT

	Federal Grants
United States	$333,900
Alabama	$6,384
Alaska	$788
Arizona	$3,201
Arkansas	$4,735
California	$31,056
Colorado	$3,029
Connecticut	$4,202
Delaware	$920
D. C.	$5,720
Florida	$10,123
Georgia	$9,367
Hawaii	$1,456
Idaho	$904
Illinois	$16,451
Indiana	$5,070
Iowa	$3,769
Kansas	$2,842
Kentucky	$5,871
Louisiana	$8,178
Maine	$1,828
Maryland	$4,777
Massachusetts	$8,678
Michigan	$12,899
Minnesota	$4,192
Mississippi	$5,528
Missouri	$9,637
Montana	$1,168
Nebraska	$2,426
Nevada	$917
New Hampshire	$943
New Jersey	$9,541
New Mexico	$2,138
New York	$30,220
N. Carolina	$9,112
N. Dakota	$863
Ohio	$13,576
Oklahoma	$4,395
Oregon	$2,789
Pennsylvania	$14,748
Rhode Island	$1,924
S. Carolina	$5,351
S. Dakota	$960
Tennessee	$6,884
Texas	$16,770
Utah	$1,355
Vermont	$978
Virginia	$55,576
Washington	$4,125
W. Virginia	$3,897
Wisconsin	$4,232
Wyoming	$920
American Samoa	$220
Puerto Rico	$14,670
N.Mariana	$130
Guam	$208
TTPI	$995

Data Sources: Office of Community Services

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
13.665 COMMUNITY SERVICES BLOCK GRANT

	Federal Grants
United States	$315,038
Alabama	$6,035
Alaska	$816
zona	$2,611
kansas	$4,476
alifornia	$29,346
olorado	$2,860
Connecticut	$3,972
Delaware	$870
D. C.	$5,407
Florida	$9,569
Georgia	$8,855
Hawaii	$1,376
Idaho	$855
Illinois	$15,551
Indiana	$4,792
Iowa	$3,562
Kansas	$2,687
Kentucky	$5,550
Louisiana	$7,731
Maine	$1,727
Maryland	$4,516
Massachusetts	$8,203
Michigan	$12,194
Minnesota	$3,963
Mississippi	$5,226
Missouri	$9,110
Montana	$1,113
Nebraska	$2,293
Nevada	$864
New Hampshire	$891
New Jersey	$9,020
New Mexico	$1,797
New York	$28,563
N. Carolina	$8,614
N. Dakota	$845
Ohio	$12,834
Oklahoma	$4,156
Oregon	$2,636
Pennsylvania	$13,939
Rhode Island	$1,819
S. Carolina	$5,059
S. Dakota	$900
Tennessee	$6,488
Texas	$15,853
Utah	$1,252
Vermont	$922
Virginia	$5,271
Washington	$3,884
W. Virginia	$3,684
Wisconsin	$4,003
Wyoming	$870
A. Samoa	$208
Guam	$197
Virgin Islands	$272
No. Mariana Is	$123
TTPI	$941

Data Sources: Office of Community Services

XI. HISTORICAL DATA (in thousands)
13.665 COMMUNTIY SERVICES BLOCK GRANT

Federal Fiscal Year	Total Federal Obligations
1985	$368,086
1984	$348,000
1983	$348,000
1982	$347,585
1981	$567,941
1980	$931,355
1979	$684,978
1978	$751,494
1977	$760,119
1976	$700,312
1975	$534,631
1974	$317,208
1973	$716,008
1972	
1971	
1970	
1969	
1968	
1967	
1966	
1965	
1964	
1963	
1962	
1961	
1960	

Data Sources: Office of Community Services.

LEGAL AID

I. PROGRAM SUMMARY

The Legal Services Corporation (LSC) provides federal funds to support programs that offer legal services in noncriminal proceedings to low income persons. State and local governments play no role in distributing LSC funds or in administering LSC programs. Once distributed, the control of LSC funds is left to the discretion of the program attorneys under the direction of local boards of directors.

In FY 1985, about $313 million was appropriated by the federal government for LSC. These funds supported about 300 programs with about 4,774 staff attorneys who served about 1.3 million persons. Over the past 10 years, the federal costs of LSC have increased substantially; in FY 1975, the LSC appropriation was $72 million. Thus, LSC costs have increased, in constant dollars, by over 117 percent in the last decade.

The law requires LSC to set national maximum income limits for determining eligibility and to insure preference for those persons who are least able to afford an attorney. The national income limit is 125 percent of the federal poverty guidelines, but this limit permits some exclusions and exceptions. Cash, as well as non-cash, assistance from public programs, for example, does not count toward the income limit; a person's income can exceed the limit, if the purpose of the legal services is to obtain benefits from a means-tested government program. Asset limitations in determining eligibility, if any, are set by local program boards of directors.

The LSC programs are not allowed to give legal aid in criminal proceedings or in most civil cases that are fee-generating in nature such as accident damage suits. The cases that LSC programs do handle are largely a function of priorities set by the local boards of directors and typically feature the areas of law concerning families, employment, housing, civil rights, and obtaining benefits from other public programs.

II. ADMINISTRATION

A. Program name: Legal Services Corporation.

B. Catalog of Federal Domestic Assistance No.: None.
Budget account number(s): None.

C. Current authorizing statute: None. The LSC authorization statute expired in FY 1981. Funds are spent under authority of appropriations statutes.

D. Location of program regulations in the Code of Federal Regulations: 45 CFR 1600-1631.

E. Federal administering agency: The Legal Services Corporation, established in Sec. 1003.(a) of P.L. 93-355, as amended in P.L. 95-222, is a "private nonmembership nonprofit corporation" in the District of Columbia. (42 U.S.C. 2996)

F. Primary grantee (if any) receiving program funds to provide benefits: Private nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefit: Private nonprofit organizations.

H. Allocation of federal funds.

LSC funds are capped annually by a federal appropriation. In 1985, appropriated funds were allocated among 284 Basic Field, two migrant, and 11 Native American programs, all of which enjoy presumptive refunding rights, as well as 17 free-standing National Support contractors and five State Support contractors. The 1985 Congressional appropriations equalled $305 million. Allocation of federal funds is based on population. Currently there are no state or local matching requirements for funds.

I. Role of state and local governments in administering the program.

State and local governments have no role in distributing funds among the various LSC recipients. The law (42 U.S.C. 2996c) authorizes the establishment of, and authorizes LSC to fund, the expenses of State Advisory Councils in each state and territory. However, State Advisory Councils have not been in existence for several years.

J. Audit or quality control.

As provided in 42 U.S.C. 2996d "Except where otherwise specifically provided in this title, officers and employees of the corporation shall not be considered officers and employees, and the Corporation shall not be considered a department, agency, or instrumentality, of the federal government." Hence, the

Corporation is exempt from governmental efficiency guidelines to which governmental agencies must adhere.

However, 42 U.S.C. 2996d also provides that "Nothing in this title shall be construed as limiting the authority of the Office of Management and Budget to review and submit comments upon the Corporation's annual budget request at the time it is transmitted to Congress."

Currently, no national standards of administrative efficiency are in effect. Each local program develops its own administrative controls.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The law (42 U.S.C. 2996) states "providing legal assistance to those who face an economic barrier to adequate legal counsel will serve best the ends of justice and assist in improving opportunities for low-income persons consistent with the purposes of this Act."

B. Allocation of program funds among various activities.

To achieve these objectives program funds are allocated among individual program activities according to priorities established by local program boards of directors. No national summary information is available.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

As defined in 45 CFR 1611, Appendix A, the unit for which eligibility for program benefits is determined is the "family unit".

B. Income eligibility standards.

Individual client eligibility is limited to family units whose annual income is no higher than 125 percent of the 1984 federal poverty income guidelines.

Eligibility regulations 45 CFR 1611 Secs. 1611.4 and 1611.5 establish the specific circumstances under and limits within which legal assistance may be provided family units with incomes above 125 percent of the federal poverty guidelines or assets above limits set by local program boards.

Section 1611.4 authorizes exceptions for:

> A person whose gross income exceeds the maximum income level established by a recipient but does not exceed 150 percent of the national eligibility level (125% of poverty) may be provided legal assistance under the Act if:
>
> > (1) The person's circumstances require that eligibility should be allowed on the basis of one or more of the factors set forth in Sec. 1611.5(b)(1); or
> >
> > (2) The person is seeking legal assistance to secure benefits provided by a governmental program for the poor.
>
> In the event that a recipient determines to serve a person whose gross income exceeds 125% of poverty, that decision shall be documented and included in the client's file. The recipient shall keep such other records as will provide information to the Corporation as to the number of clients so served and the factual basis for the decisions made.

Section 1611.5(b)(1) establishes the set of factors for which assistance may be extended to family units with incomes above the federal poverty guidelines:

> Factors which shall be used in the determination of the eligibility of clients over the maximum income level shall include:
>
> > (A) Current income prospects, taking into account seasonal variations in income;
> >
> > (B) Medical expenses, and in exceptional instances, with the prior, written approval of the project director based on written documentation received by the recipient and available for review by the Corporation, if a person's gross income is primarily committed to medical or nursing home expenses, a person may be served even if that person's gross income exceeds 150 percent of the national eligibility level;
> >
> > (C) Fixed debts and obligations, including unpaid federal, state, and local taxes from prior years;
> >
> > (D) Child care, transportation, and other expenses necessary for employment;
> >
> > (E) Expenses associated with age or physical infirmity of resident family members;
> >
> > (F) Other significant factors related to financial inability to afford legal assistance.

Under eligibility regulation 45 CFR 1611, Sec. 1611.2 income is defined as "actual current annual total cash receipts before taxes of all persons who are resident members of and contribute to, the support of a family unit." Total cash receipts include "money wages and salaries before any deduction."

Earned income disregarded for the purposes of determining eligibility includes food or rent in lieu of wages and income from self-employment after deductions for business or farm expenses.

Under eligibility regulation 45 CFR 1611, Sec. 1611.2, unearned income disregarded before applying the maximum income test includes:

> Regular payments from public assistance; social security; unemployment and workers' compensation; strike benefits from union funds; veterans benefits; training stipends; alimony, child support and military family allotments or other regular support from an absent family member or someone not living in the household; public or private employee pensions, and regular insurance or annuity payments; and income from dividends, interest, rents, royalties or from estates and trusts.

Asset limitations are a function of local board priorities. Eligibility regulation 45 CFR 1611, Sec. 1611.6, establishes conditions on assets (including exemptions) and sets out the rules:

> Assets considered shall include all liquid and non-liquid assets of all persons who are resident members of a family unit, except that a recipient may exclude the principal residence of a client. ...guidelines shall take into account impediments to an individual's access to assets of the family unit or household.
>
> Reasonable equity value in work-related equipment which is essential to the employment or self-employment of an applicant or member of a family unit, shall not be utilized to disqualify an applicant, provided that the owner is attempting to produce income consistent with its fair market value.
>
> The governing body may establish authority for the project director to waive the ceilings on minimum allowable assets in unusual or extremely meritorious situations. In the event that a waiver is granted, that decision shall be documented and included in the client's file. The recipient shall keep such other records as will provide information to the Corporation as to the number of clients so served and the factual basis for the decision made.

A rule promulgated to make more uniform, asset requirements across recipients (45 CFR 1611, Sec. 1611.6) indicates that:

> By January 30, 1984, and annually thereafter, the governing body of the recipient shall establish and transmit to the Corporation guidelines incorporating specific and reasonable asset ceilings, including both liquid and non-liquid assets, to be utilized in determining eligibility for services. The guidelines shall consider the economy of the service area and the relative cost-of-living of low-income persons so as to ensure the availability of services to those in greatest economic and legal need.
>
> The guidelines shall be consistent with the recipient's priorities established in accordance with 45 CFR 1620 and special consideration shall be given to the legal needs of the elderly, institutionalized, and handicapped.

C. Other eligibility requirements.

LSC recipients are also subject to local program priorities set by local program boards of directors under 45 CFR 1620, authority for which is provided by Sec. 1007(a)(2) Legal Services Corporation Act of 1974, as amended 45 U.S.C. 2996 f(a)(2). Under 45 CFR 1620, adopted in May 1984, local program boards must adopt procedures which shall, as Sec. 1620.2(a)(1) indicates:

> Include an effective appraisal of the needs of eligible clients in the geographic areas served by the recipient, and their relative importance, based on information received from potential or current eligible clients solicited in a manner reasonably calculated to obtain the attitude of all significant segments of the client eligible population, as well as input from the recipient's employees, governing body members, the private bar, and other interested persons. In addition to substantive legal problems, the appraisal shall address the need for outreach, training of the recipient's employees, and support services.

Eligibility for services depends upon the availability of services based upon these priorities established by local boards.

D. Other income a recipient unit is required or expected to spend to receive benefits.

At present, eligible clients are not required to expend any of their income on LSC funded legal assistance. However, as directed by the LSC Board of Directors, LSC staff are investigating the feasibility of implementing a sliding scale, copayment mechanism.

V. BENEFITS AND SERVICES

A. Program intake processes.

The processes of program intake include: voluntary applications; referral by a third party; membership in a group represented in a class action suit.

The procedure for intake is set out in 45 CFR 1611, Secs. 1611.7 and 8:

- A recipient shall adopt a simple form and procedure to obtain information to determine eligibility in a manner that promotes the development of trust between attorney and client. The form and procedure adopted shall be subject to approval by the Corporation, and the information obtained shall be preserved, in a manner that protects the identity of the client, for audit by the Corporation.
- If there is substantial reason to doubt the accuracy of the information, a recipient shall make appropriate inquiry to verify it, in a manner consistent with an attorney-client relationship.
- A recipient shall execute a retainer agreement, in a form approved by the Corporation, with each client who receives legal services from the recipient. The retainer agreement shall be executed when representation commences (or, if not possible owing to an emergency situation, as soon thereafter as is practicable), and shall clearly identify the relationship between the client and the recipient, the matter in which representation is sought, the nature of the legal services to be provided, and the rights and responsibilities of the client. The recipient shall retain the executed retainer agreement as part of the client's file, and shall make their agreement available for review by the Corporation in a manner which protects the identity of the client.
- A recipient is not required to execute a written retainer agreement when the only service to be provided is brief advice and consultation.

B. Program benefits or services

Provision of legal assistance or consultation is left to the discretion of recipient program attorneys under the direction of local program boards of directors.

In FY 1985, costs per case ranged from $76 in Maine to $493 in Georgia, with a national average of $209.

C. Duration of benefits.

Duration of representation is limited only by case closure or by a change of circumstances which alter an individual's eligibility.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

None.

B. Counting assistance from other programs.

Recipient programs, in determining income eligibility of a prospective client are prohibited by 45 CFR 1611 from counting regular payments from public assistance; Social Security; unemployment and workers' compensation; or veterans' benefits.

C. Overlapping authorities and benefits.

Federal funding for legal services to indigents comes from a number of entities other than the Legal Services Corporation including the Administration on Aging, Community Services Block Grants, Community Development Block Grants, the Bureau of Indian Affairs, Department of Health and Human Services grants and contracts, Department of Education funds, and various revenue sharing programs. Some of these funds are furnished directly to the providers. Others are administered by state or local government. Much of the money is limited to one-time projects; some is provided on a continuing basis.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources

House

Committee on the Judiciary
    Subcommittee on Courts, Civil Liberties, and the Administration of Justice

B. Appropriating subcommittees.

Senate

Subcommittee on Commerce, Justice, State, the Judiciary and Related Agencies

House

Subcommittee on Commerce, Justice, State, and the Judiciary

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

Pub. L. 95-222 (December 28, 1977).

The Legal Services Corporation Act of 1977, as amended, 95th Congress, H.R. 6666.

The Act established comprehensive revisions to the Legal Services Corporation Act of 1974. The 1977 Act is the primary.statute governing the activities of the LSC and its recipients.

Pub. L. 96-68 (September 24, 1980).

A Continuing Resolution for FY 1981.

This continuing resolution for fiscal year 1981 restricted the use of LSC funds for:

- -- Engaging in publicity or propaganda designed to influence legislation;
- -- Providing legal assistance to illegal aliens;
- -- Increasing funding to those programs already funded at the minimum access level.

Pub. L. 97-377 (December 21, 1982).

An Act for Appropriations for FY 1983.

This appropriations act for fiscal year 1983 restricted the use of LSC funds for:

- -- Providing legal assistance to illegal aliens within certain categories;
- -- Providing legal services through any recipient which is not nonprofit, or not properly constituted;
- -- LSC involvement in litigation without an eligible client;
- -- Payment for certain communications to government officials or agencies;
- -- Bringing a class action suit against a governmental body unless certain procedures are undertaken;
- -- Increasing funding to those programs already funded at the minimum access level.

Pub. L. 98-166 (January 3, 1983).

An Act for Appropriations for FY 1984.

This appropriations act for fiscal year 1984 included restrictions in the predecessor, plus:

- -- Making certain communications to government officials, or engaging in certain publicity or propaganda, or lobbying activities;
- -- Supporting certain training programs involving public policies or political activities, demonstrations, or labor activities;
- -- The defunding or the denial of refunding to any recipient without complying with certain procedures;

Pub. L. 98-411 (January 23, 1984).

An Act for Appropriations for FY 1985.

This appropriations act for fiscal year 1985 included restrictions in the predecessor, plus:

- -- The promulgation of additional regulations unless certain notice is given to the Appropriations Committees of both Houses of Congress.

In addition, the Appropriations Act apportioned $2 million for increasing quality legal services to the elderly, $1.158 million for program improvement and training, $1.829 million for delivery research and experimentation, and $11.283 million for state and national support for the provision of legal services.

Pub. L. 99-180 (December 13, 1985).

An Act for Appropriations for FY 1986.

This appropriations act for fiscal year 1986 included the restrictions in the predecessor.

Pub. L. 99-591 (October 18, 1986).

An Act for Appropriations for Fy 1987.

This appropriations act for fiscal year 1987 included the restrictions in the predecessor, plus:

-- The enforcement of LSC regulation 45 CFR 1612 relating to lobbying and certain other activities.

In addition, the Act allocated funds for certain LSC programs and purposes, over $15 million for state and national support services.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
LEGAL AID

	Total (1)
United States	$278,850
Alabama	$6,536
Alaska	$1,544
Arizona	$5,498
Arkansas	$3,771
California	$28,410
Colorado	$2,898
Connecticut	$2,527
Delaware	$541
D. C.	$2,763
Florida	$11,729
Georgia	$7,878
Hawaii	$1,014
Idaho	$1,257
Illinois	$10,332
Indiana	$4,260
Iowa	$2,798
Kansas	$2,104
Kentucky	$5,668
Louisiana	$6,935
Maine	$1,411
Maryland	$3,351
Massachusetts	$5,874
Michigan	$8,716
Minnesota	$3,736
Mississippi	$5,910
Missouri	$5,073
Montana	$1,028
Nebraska	$1,683
Nevada	$723
New Hampshire	$863
New Jersey	$6,024
New Mexico	$2,436
New York	$19,551
N. Carolina	$7,989
N. Dakota	$997
Ohio	$9,407
Oklahoma	$3,777
Oregon	$2,841
Pennsylvania	$10,036
Rhode Island	$864
S. Carolina	$4,725
S. Dakota	$1,629
Tennessee	$6,508
Texas	$18,845
Utah	$1,410
Vermont	$714
Virginia	$5,632
Washington	$4,057
W. Virginia	$2,957
Wisconsin	$3,636
Wyoming	$612
Guam	$171
Puerto Rico	$15,885
Virgin Islands	$444
Micronesia	$894

Data Sources: Fiscal Year 1985 Grants and Contracts Summary from LSC Office of Field Services.

(1) INCLUDES: Annualized Refunding Grants and Contracts (Adjusted), with National Support Grants deleted; Client Board Member Training Grants, Legal Services to Southeast Los Angeles County, Month-to-Month Funding, Technical Assistance, Payments to Defunded Programs, Lower Funded Program Allocation, Reprogrammed Expansion Funds, Reprogrammed Fund Balance Recoveries, Native American Revolving Expansion Pool, Emergency One-Time Grants, Private Law Firm Contracts, Law School Civil Clinical Program, Private Bar Involvement, and Civil Legal Assistance to the Poor.
DOES NOT INCLUDE: Reggie Fellowship Program, Clearinghouse Contract, Summer Intern Contract, Computer-Assisted Legal Research, Payments to Training Centers, or Interest on Lawyers' Trust Account Program. Does not include any non-LSC funds.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
LEGAL AID

	Total (1)
United States	$251,716
Alabama	$6,003
Alaska	$1,429
Arizona	$5,048
Arkansas	$3,515
California	$25,065
Colorado	$2,636
Connecticut	$2,370
Delaware	$473
D. C.	$2,053
Florida	$9,992
Georgia	$7,182
Hawaii	$900
Idaho	$1,125
Illinois	$9,142
Indiana	$4,363
Iowa	$2,557
Kansas	$1,978
Kentucky	$5,145
Louisiana	$6,517
Maine	$1,244
Maryland	$2,948
Massachusetts	$5,391
Michigan	$7,842
Minnesota	$3,517
Mississippi	$5,500
Missouri	$4,755
Montana	$940
Nebraska	$1,454
Nevada	$642
New Hampshire	$679
New Jersey	$5,356
New Mexico	$2,144
New York	$17,341
N. Carolina	$7,443
N. Dakota	$970
Ohio	$8,321
Oklahoma	$3,509
Oregon	$2,535
Pennsylvania	$9,057
Rhode Island	$792
S. Carolina	$4,263
S. Dakota	$1,479
Tennessee	$6,006
Texas	$16,896
Utah	$1,138
Vermont	$732
Virginia	$5,486
Washington	$3,782
W. Virginia	$2,710
Wisconsin	$3,361
Wyoming	$554
Guam	$176
Puerto Rico	$14,047
Virgin Islands	$427
Micronesia	$788

Data Sources: Fiscal Year 1984 Grants and Contracts Summary from LSC Office of Field Services

(1) INCLUDES: Annualized Refunding Grants and Contracts (Adjusted), with National Support Grants deleted; Client Board Member Training Grants, Legal Services to Southeast Los Angeles County, Month-to-Month Funding, Technical Assistance, Payments to Defunded Programs, Lower Funded Program Allocation, Reprogrammed Expansion Funds, Reprogrammed Fund Balance Recoveries, Native American Revolving Expansion Pool, Emergency One-Time Grants, Private Law Firm Contracts, Law School Civil Clinical Program, Private Bar Involvement, and Civil Legal Assistance to the Poor.
DOES NOT INCLUDE: Reggie Fellowship Program, Clearinghouse Contract, Summer Intern Contract, Computer-Assisted Legal Research, Payments to Training Centers, or Interest on Lawyers' Trust Account Program. Does not include any non-LSC funds.

IX. A. FY 85 RECIPIENT CHARACTERISTICS (1)
LEGAL AID

	Persons Served	(2)	Elderly	(2)
United States	1,332,914		170,437	
Alabama	23,968		2,083	
Alaska	3,801		556	
Arizona	22,849		1,783	
Arkansas	17,170		1,296	
California	150,709		22,835	
Colorado	25,977		4,303	
Connecticut	9,808		2,178	
Delaware	3,174		813	
D. C.	6,622		1,569	
Florida	62,969		11,234	
Georgia	15,989		2,263	
Hawaii	9,035		1,345	
Idaho	4,208		597	
Illinois	55,408		9,517	
Indiana	21,609		3,198	
Iowa	25,443		1,977	
Kansas	10,636		2,214	
Kentucky	23,705		2,336	
Louisiana	30,873		2,066	
Maine	18,478		807	
Maryland	19,463		2,314	
Massachusetts	37,504		9,114	
Michigan	50,129		6,801	
Minnesota	28,919		4,476	
Mississippi	18,994		2,011	
Missouri	24,420		3,830	
Montana	4,255		245	
Nebraska	11,826		1,124	
Nevada	2,771		178	
New Hampshire	4,742		797	
New Jersey	32,309		3,133	
New Mexico	7,237		1,022	
New York	62,255		5,927	
N. Carolina	25,045		4,070	
N. Dakota	4,733		987	
Ohio	58,181		5,448	
Oklahoma	20,680		4,805	
Oregon	30,465		3,388	
Pennsylvania	65,024		6,014	
Rhode Island	4,277		571	
S. Carolina	13,053		975	
S. Dakota	8,045		487	
Tennessee	22,342		3,055	
Texas	48,067		5,397	
Utah	3,488		1,110	
Vermont	3,839		450	
Virginia	28,562		2,738	
Washington	21,302		3,160	
W. Virginia	17,470		650	
Wisconsin	22,881		1,906	
Wyoming	4,379		218	
Guam	246		69	
Puerto Rico	80,754		8,591	
Virgin Islands	1,424		145	
Micronesia	1,402		261	

Data Sources: Calender Year 1985 Cases Closed, as reported in 1985 Case Service Reports to LSC Division of Information Services

(1) Information is not available in Fiscal Year format; only in Calender Year format. LSC Fiscal Year ends on 9/30.
(2) Annual count based on Cases Closed reported quarterly by LSC grantees, compiled annually by LSC. These numbers may vary by +/- 10% because of variations in reporting practices.

IX. B. FY 84 RECIPIENT CHARACTERISTICS (1)
LEGAL AID

		Persons Served	(2)	Elderly	(2)
United States		1,197,888		154,753	
Alabama		21,830		2,570	
Alaska		4,377		704	
Arizona		16,648		1,354	
Arkansas		13,995		1,251	
California		133,179		19,973	
Colorado		24,801		4,918	
Connecticut		6,578		2,534	
Delaware		1,035		444	
D. C.		6,769		1,370	
Florida		51,935		9,917	
Georgia		17,262		2,517	
Hawaii		7,356		1,052	
Idaho		2,746		422	
Illinois		44,465		8,892	
Indiana		21,236		3,385	
Iowa		27,731		2,084	
Kansas		14,818		2,357	
Kentucky		22,516		2,282	
Louisiana		23,925		1,777	
Maine		14,880		749	
Maryland		19,787		1,386	
Massachusetts		35,849		8,149	
Michigan		39,726		6,328	
Minnesota		24,220		4,895	
Mississippi		20,641		1,957	
Missouri		40,343		3,059	
Montana		2,741		226	
Nebraska		11,563		1,166	
Nevada		2,592		189	
New Hampshire		6,398		1,023	
New Jersey		33,152		3,463	
New Mexico		5,872		698	
New York		54,440		5,371	
N. Carolina		24,218		3,535	
N. Dakota		3,745		844	
Ohio		50,374		4,104	
Oklahoma		19,879		4,305	
Oregon		18,078		3,123	
Pennsylvania		54,817		3,474	
Rhode Island		3,540		440	
S. Carolina		13,046		854	
S. Dakota		4,910		479	
Tennessee		21,705		3,511	
Texas		39,571		4,820	
Utah		2,613		551	
Vermont		3,779		507	
Virginia		28,356		2,871	
Washington		20,507		2,460	
W. Virginia		16,307		748	
Wisconsin		23,517		1,915	
Wyoming		3,441		177	
Guam		353		159	
Puerto Rico		67,390		7,170	
Virgin Islands		1,331		121	
Micronesia		785		123	

Data Sources: Calender Year 1984 Cases Closed as reported in 1984
Case Service Reports to LSC Office of Information Management.

(1) Information is not available in Fiscal Year format; only in Calender Year format. LSC Fiscal Year ends on 9/30.
(2) Annual count based on Cases Closed reported quarterly by LSC grantees, compiled annually by LSC. These numbers may vary by +/- 10% because of variations in reporting practices.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
LEGAL AID

		Total	(2)
United States		$209	
Alabama		$273	
Alaska		$408	
Arizona		$241	
Arkansas		$220	
California		$189	
Colorado		$112	
Connecticut		$258	
Delaware		$170	
D. C.		$417	
Florida		$188	
Georgia		$493	
Hawaii		$112	
Idaho		$299	
Illinois		$186	
Indiana		$197	
Iowa		$110	
Kansas		$198	
Kentucky		$239	
Louisiana		$225	
Maine		$78	
Maryland		$172	
Massachusetts		$157	
Michigan		$174	
Minnesota		$129	
Mississippi		$311	
Missouri		$208	
Montana		$242	
Nebraksa		$141	
Nevada		$261	
New Hampshire		$182	
New Jersey		$186	
New Mexico		$337	
New York		$314	
North Carolina		$319	
North Dakota		$211	
Ohio		$162	
Oklahoma		$183	
Oregon		$93	
Pennsylvania		$154	
Rhode Island		$202	
S. Carolina		$362	
S. Dakota		$202	
Tennessee		$291	
Texas		$392	
Utah		$404	
Vermont		$186	
Virginia		$197	
Washington		$190	
W. Virginia		$169	
Wisconsin		$159	
Wyoming		$140	
Guam		$697	
Puerto Rico		$197	
Virgin Islands		$312	
Micronesia		$638	

Data Sources: LSC Summary of Grants and Contracts, Case Service Report

(1) Information is not available in Fiscal Year format; only in Calender Year format. LSC Fiscal Year ends 9/30.
(2) Annual count based on Cases Closed reported quarterly by LSC grantees, compiled annually by LSC. These numbers may vary by +/- 10% because of variations in reporting practices.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
LEGAL AID

		Total	(2)
United States		$210	
Alabama		$275	
Alaska		$328	
Arizona		$303	
Arkansas		$251	
California		$188	
Colorado		$108	
Connecticut		$360	
Delaware		$457	
D. C.		$303	
Florida		$192	
Georgia		$416	
Hawaii		$122	
Idaho		$410	
Illinois		$208	
Indiana		$205	
Iowa		$92	
Kansas		$134	
Kentucky		$229	
Louisiana		$272	
Maine		$84	
Maryland		$149	
Massachusetts		$150	
Michigan		$197	
Minnesota		$145	
Mississippi		$266	
Missouri		$118	
Montana		$343	
Nebraksa		$126	
Nevada		$248	
New Hampshire		$106	
New Jersey		$162	
New Mexico		$365	
New York		$319	
N. Carolina		$307	
N. Dakota		$259	
Ohio		$165	
Oklahoma		$177	
Oregon		$140	
Pennsylvania		$165	
Rhode Island		$224	
S. Carolina		$327	
S. Dakota		$301	
Tennessee		$277	
Texas		$427	
Utah		$435	
Vermont		$194	
Virginia		$193	
Washington		$184	
W. Virginia		$166	
Wisconsin		$143	
Wyoming		$161	
Guam		$497	
Puerto Rico		$208	
Virgin Islands		$321	
Micronesia		$1,004	

Data Sources: LSC Grants and Contracts Summary, Case Service Reports

(1) Information is not available in Fiscal Year format; only in Calender Year format. LSC Fiscal Year ends 9/30.
(2) Annual count based upon Cases Closed reported quarterly by LSC grantees, compiled annually by LSC. These numbers may vary by +/- 10% because of variations in reporting practices.

XI. HISTORICAL DATA (Dollars in thousands)
LEGAL AID

Federal Fiscal Year	Total Federal Appropriations	(1)	Units Served	(2)
1985	$313,000		1,300,000	(3)
1984	$275,000		1,227,358	
1983	$241,000		1,274,318	
1982	$241,000		1,147,221	
1981	$321,300		1,245,226	
1980	$300,000		1,203,853	
1979	$270,000			
1978	$205,000			
1977	$125,000			
1976	$92,300			
1975	$71,500			
1974	$71,500			
1973	$71,500			
1972	$71,500			
1971	$61,000			
1970	$53,000			
1969	$46,000			
1968	$38,000			
1967	$29,000			
1966	$24,800			
1965	$3,000			
1964				
1963				
1962				
1961				
1960				

Data Sources: Annual Appropriations Bills

(1) Because funds such as National Support and LSC's own budget have not been factored out, these totals vary somewhat from those of Table VIII. The historical data presented here are internally consistent, reflecting all federal funds provided LSC and its predecessor programs. FY 1965 through FY 1974 data represent funding the Office of Economic Opportunity, Legal Services Division.
(2) Information prior to 1980 was not published by LSC.
(3) Estimated.

FAMILY PLANNING SERVICES

I. PROGRAM SUMMARY

Title X of the Public Health Service Act authorizes the Secretary of Health and Human Services (HHS) to make grants to and enter into contracts with public and nonprofit private organizations to provide family planning services. The program provides clinical services and information to help persons, especially those from low income families, plan how many children to have and when to have them. Under HHS administration, 52 of the 88 Title X grantees are state, local, territorial, or Indian tribal governments.

Title X programs offer a broad range of family planning methods and services. These services may include counseling, pregnancy testing, physical examinations, laboratory services, screening for sexually transmitted diseases, infertility services, sterilization, or provision of contraceptives.

These services are available to all persons regardless of income, but priority is given to persons from low income families. By statute, persons from families whose income does not exceed 100 percent of the federal poverty guidelines are not personally charged for services; charges for other persons are flexible and generally made in accordance with a schedule of discounts based on ability to pay. While the involvement of parents is encouraged, unemancipated minors seeking services on a confidential basis must be considered on the basis of their own resources.

In FY 1985, four million persons received family planning services under Title X at a federal cost of about $143 million. The federal funds are allocated using a formula that emphasizes demographic priorities and past experience. The program is fully funded by the federal government.

Family planning services may also be provided to low income persons under other programs, including Medicaid, the Social Services Block Grant, the Maternal and Child Health Block Grant, Community Health Centers, the Indian Health Service, and the Migrant Health Centers.

II. ADMINISTRATION

A. Program name: Family Planning Services.

B. Catalog of Federal Domestic Assistance No.: 13.217
Budget account number(s): 75-0350-0-1-550.

C. Current authorizing statute: Title X of PHS Act (42 U.S.C. 300-300a-6a) which authorized the program expired 9/30/85.

D. Location of program regulations in the Code of Federal Regulations: 42 CFR Part 59A.

E. Federal administering agency: Office of Population Affairs, Office of the Assistant Secretary for Health, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: States; counties; cities; tribal organizations; private nonprofit organizations; five territories and one university in a territory.

G. Subgrantee (if any) receiving program funds to provide benefits: Counties; cities; private nonprofit organizations; universities; hospitals and one territory.

H. Allocation of federal funds.

Title X funds to support service providers are allocated to the ten PHS Regional Offices using a formula based on: (1) the number of "women age 15-44 at risk of unintended pregnancy and in need of subsidized family planning services" residing in the region; (2) the number of women at or below 150 percent of poverty receiving services at clinics in the region; (3) the amount of the region's previous allocation. The amount distributed to each region depends on the percentage of the national total for (1), (2), and (3) the region claims. The ten PHS Regional Offices then apply a regional formula similar to the national formula. Funds are distributed to the individual grantees after annual applications for grants have undergone an objective review process. Regional allocations may be discounted when the average program indicators (administrative cost, productivity, average costs per encounter, and clinical indicators) for any grantee in the region are out of compliance.

According to statute, a grant may not be awarded for less than 90 percent of program costs. After the award, the grantee may delegate (through a written agreement) the responsibility of actually providing family planning services to another agency.

I. Role of state and local governments in administering the program.

Fifty-two of the 88 grantees are state, local, territorial, or Indian tribal governments. During 1981 and 1982, the program encouraged states to apply in order to accomplish a goal of consolidating grantees.

J. Audit or quality control.

Title X family planning projects must comply with the Bureau of Health Care Delivery and Assistance Common Reporting Requirements (BCRR). Data are collected for the calendar year and indicators calculated from the BCRR data are used to evaluate the productivity and effectiveness of family planning projects.

Regional allocations are subject to reductions if the regional averages for any of the administrative or clinical indicators are out of compliance. No penalties in the form of reductions of the regional allocations have been levied in the past three years.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

Section 1001 authorizes the Secretary to make grants to and enter into contracts with public or nonprofit private entities to assist in the establishment and operation of voluntary family planning projects which shall offer a broad range of acceptable and effective family planning methods and services, including natural family planning methods, infertility services, and services for adolescents.

B. Allocation of program funds among activities.

Title X Section 1001 funds are used for the sole purpose of providing family planning services. These services may include counseling, pregnancy testing, physical examination, laboratory services, screening for sexually transmitted diseases, infertility services, sterilization, or provision of contraceptives. Projects are limited to a 16 percent administrative cost. The national and regional averages are under 16 percent.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individuals are eligible to receive family planning services.

B. Income eligibility standards.

Family planning services are available to all regardless of income, but priority is given to persons from low income families. By statute, persons from low income families are not charged for services except to the extent that payment will be made by a third party (including a government agency) which is authorized or is under legal obligation to pay such charges. "Low income family" means a family whose total annual income does not exceed 100 percent of the federal poverty guidelines. "Low income family" also includes members of families whose annual family income exceeds 100 percent of poverty, but who, as determined by the project director, are unable, for good reasons, to pay for family planning services. For example, unemancipated minors who wish to receive services on a confidential basis must be considered on the basis of their own resources.

Charges for services to persons other than those from low income families are made in accordance with a schedule of discounts based on ability to pay. Charges to persons from families whose annual income exceeds 250 percent of the federal poverty guidelines is made in accordance with a schedule of fees designed to recover the reasonable cost of providing services.

Some 3.4 million females, or 84 percent of the females served in Title X clinics, have family incomes below 150 percent of poverty.

Assets are not considered in determining eligibility or extent of payment required for family planning services.

C. Other eligibility requirements.

None, other than a minimum age requirement (at least 21 years of age) for sterilization services.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Persons with incomes above the poverty guidelines are expected to pay part or all of the cost of services out of other income, based on a schedule of discounts.

V. BENEFITS AND SERVICES

A. Program intake process.

Participation in the Title X family planning program is voluntary. By statute, the acceptance by any individual of family planning services or information shall not be a prerequisite to eligibility for or receipt of any other service or assistance from another program.

B. Program benefits or services.

Services are delivered through a network of about 4,500 clinics. These clinics may be located in hospitals, in county or local government health departments, in free-standing situations, or affiliated with other public or private, nonprofit health delivery agencies. Some of these clinics are large and offer full services throughout the week. Others operate on a circuit rider basis, with clinics in various small towns or rural areas open on a rotating basis one day a week.

The clinics provide medical, social, and referral services relating to family planning to all eligible clients who desire such services. The amount and standards of medical services are the same regardless of the economic category of the recipient. All recipients receive information and clinical services which will help them better plan how many children to have and when to have them.

C. Duration of benefits.

There are no duration or participation limitations for Title X. No information is available about average duration of participation.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

None.

B. Counting assistance from other programs.

Only cash income is counted in determining fees.

C. Overlapping authorities and benefits.

Family planning services may also be provided to persons under authority of other programs including Medicaid, the Social Services Block Grant, the Maternal and Child Health Block Grant, the Community Health Services Program, the Indian Health Service Program, and the Migrant Health Program.

Duplication of benefits is not an issue since persons are unlikely to overutilize family planning services.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources

House of Representatives

Committee on Energy and Commerce
    Subcommittee on Health and the Environment

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Service, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

1975: Safeguards to assure that economic status is not a deterrent to participation in family planning programs.

1977: Addition of infertility services, adolescent services, and natural family planning to a list of required services.

1981: Addition of language encouraging family participation in funded projects, and state government administration of service delivery.

1985: Addition of language permitting the Secretary of HHS to purchase family planning supplies and equipment at the request of grant recipients

E. Major federal implementing regulations and regulatory changes.

The original 1971 regulations were substantially revised in 1973, primarily to add specific definitions of "low income family" and to set forth detailed language to assist in calculating earned income, including detailed language setting forth the proper exclusions (e.g., child care expenses) from such income calculations.

The 1973 regulations were in turn substantially revised in 1980. The 1980 regulations dropped the detailed income language added in 1973 and adopted a more succinct definition of "low income." Also added in 1980 were provisions aimed at the orderly consolidation of grantee service areas and the creation of Advisory Committees for family planning information and education services.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
13.217 FAMILY PLANNING SERVICES

		Total Grants	(1)
United States		$138,039	
Alabama		$3,392	
Alaska		$353	
Arizona		$2,933	
Arkansas		$1,866	
California		$12,536	
Colorado		$1,519	
Connecticut		$1,329	
Delaware		$526	
D. C.		$688	
Florida		$5,032	
Georgia		$4,299	
Hawaii		$830	
Idaho		$715	
Illinois		$4,080	
Indiana		$2,454	
Iowa		$1,688	
Kansas		$1,294	
Kentucky		$3,077	
Louisiana		$2,664	
Maine		$927	
Maryland		$2,442	
Massachusetts		$3,578	
Michigan		$4,371	
Minnesota		$1,746	
Mississippi		$3,117	
Missouri		$3,099	
Montana		$975	
Nebraska		$983	
Nevada		$837	
New Hampshire		$643	
New Jersey		$4,609	
New Mexico		$1,091	
New York		$8,325	
N. Carolina		$4,258	
N. Dakota		$412	
Ohio		$5,636	
Oklahoma		$2,125	
Oregon		$1,794	
Pennsylvania		$7,127	
Rhode Island		$333	
S. Carolina		$3,209	
S. Dakota		$473	
Tennessee		$4,032	
Texas		$8,955	
Utah		$573	
Vermont		$448	
Virginia		$2,838	
Washington		$2,587	
W. Virginia		$1,286	
Wisconsin		$1,804	
Wyoming		$476	
Guam		$122	
Puerto Rico		$1,330	
Virgin Islands		$203	

Data Sources: Office of Population Affairs.

(1) The number represents the total federal dollars received by all grantees in the state.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
13.217 FAMILY PLANNING SERVICES

		Total Grants	(1)
United States		$134,848	
Alabama		$3,367	
Alaska		$335	
Arizona		$2,694	
Arkansas		$1,847	
California		$12,329	
Colorado		$1,191	
Connecticut		$1,253	
Delaware		$521	
D. C.		$445	
Florida		$4,915	
Georgia		$4,211	
Hawaii		$834	
Idaho		$666	
Illinois		$4,625	
Indiana		$2,198	
Iowa		$1,343	
Kansas		$1,234	
Kentucky		$2,907	
Louisiana		$2,575	
Maine		$902	
Maryland		$2,344	
Massachusetts		$3,537	
Michigan		$4,578	
Minnesota		$1,357	
Mississippi		$3,002	
Missouri		$3,103	
Montana		$956	
Nebraska		$985	
Nevada		$827	
New Hampshire		$806	
New Jersey		$4,491	
New Mexico		$1,209	
New York		$8,232	
N. Carolina		$4,198	
N. Dakota		$453	
Ohio		$5,236	
Oklahoma		$1,848	
Oregon		$1,816	
Pennsylvania		$7,070	
Rhode Island		$331	
S. Carolina		$3,104	
S. Dakota		$433	
Tennessee		$3,972	
Texas		$9,021	
Utah		$571	
Vermont		$436	
Virginia		$2,800	
Washington		$2,487	
W. Virginia		$1,224	
Wisconsin		$1,855	
Wyoming		$475	
Guam		$122	
Puerto Rico		$1,380	
Virgin Islands		$197	

Data Sources: Office of Population Affairs.

(1) The number represents the total federal dollars received by all grantees in the state.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
13.217 FAMILY PLANNING SERVICES

		Persons Served	(1)
United States		4,062,926	
Alabama		82,902	
Alaska		7,875	
Arizona		80,652	
Arkansas		38,789	
California		412,464	
Colorado		47,037	
Connecticut		62,785	
Delaware		14,707	
D. C.		9,086	
Florida		180,152	
Georgia		157,386	
Hawaii		9,577	
Idaho		23,804	
Illinois		98,011	
Indiana		64,126	
Iowa		76,597	
Kansas		46,166	
Kentucky		93,011	
Louisiana		80,132	
Maine		32,500	
Maryland		75,996	
Massachusetts		86,191	
Michigan		102,621	
Minnesota		31,051	
Mississippi		90,979	
Missouri		85,852	
Montana		21,989	
Nebraska		26,196	
Nevada		29,782	
New Hampshire		22,184	
New Jersey		108,219	
New Mexico		20,188	
New York		221,346	
N. Carolina		121,131	
N. Dakota		11,538	
Ohio		141,228	
Oklahoma		61,233	
Oregon		49,387	
Pennsylvania		246,487	
Rhode Island		11,416	
S. Carolina		103,875	
S. Dakota		9,032	
Tennessee		179,497	
Texas		241,334	
Utah		10,435	
Vermont		8,611	
Virginia		81,615	
Washington		89,716	
W. Virginia		58,032	
Wisconsin		49,086	
Wyoming		9,859	
Guam		1,275	
Puerto Rico		32,331	
Virgin Islands		5,455	

Data Sources: Office of Population Affairs.

(1) Based on unduplicated annual count.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
13.217 FAMILY PLANNING SERVICES

		Persons Served	(1)
United States		3,970,210	
Alabama		84,811	
Alaska		7,139	
Arizona		72,489	
Arkansas		41,984	
California		400,074	
Colorado		42,178	
Connecticut		60,012	
Delaware		16,163	
D. C.		8,785	
Florida		180,753	
Georgia		144,924	
Hawaii		8,589	
Idaho		22,558	
Illinois		100,580	
Indiana		57,211	
Iowa		57,788	
Kansas		45,090	
Kentucky		95,393	
Louisiana		79,559	
Maine		31,508	
Maryland		78,360	
Massachusetts		83,969	
Michigan		103,192	
Minnesota		28,632	
Mississippi		90,865	
Missouri		82,624	
Montana		21,602	
Nebraska		26,196	
Nevada		26,473	
New Hampshire		21,072	
New Jersey		109,092	
New Mexico		24,130	
New York		217,784	
N. Carolina		139,492	
N. Dakota		11,290	
Ohio		143,776	
Oklahoma		59,757	
Oregon		47,953	
Pennsylvania		239,994	
Rhode Island		10,058	
S. Carolina		100,560	
S. Dakota		8,545	
Tennessee		169,248	
Texas		235,968	
Utah		9,644	
Vermont		8,532	
Virginia		82,214	
Washington		89,953	
W. Virginia		56,934	
Wisconsin		48,573	
Wyoming		9,138	
Guam		1,066	
Puerto Rico		21,639	
Virgin Islands		4,297	

Data Sources: Office of Population Affairs.

(1) Based on unduplicated annual count.

X. A. MEAN FY 85 COSTS PER UNIT SERVED
13.217 FAMILY PLANNING SERVICES

		Total	(1)
United States		$34	
Alabama		$41	
Alaska		$45	
Arizona		$36	
Arkansas		$48	
California		$30	
Colorado		$32	
Connecticut		$21	
Delaware		$36	
D. C.		$76	
Florida		$28	
Georgia		$27	
Hawaii		$87	
Idaho		$30	
Illinois		$42	
Indiana		$38	
Iowa		$22	
Kansas		$28	
Kentucky		$33	
Louisiana		$33	
Maine		$28	
Maryland		$32	
Massachusetts		$41	
Michigan		$43	
Minnesota		$56	
Mississippi		$34	
Missouri		$36	
Montana		$44	
Nebraksa		$37	
Nevada		$28	
New Hampshire		$29	
New Jersey		$43	
New Mexico		$54	
New York		$38	
North Carolina		$35	
North Dakota		$36	
Ohio		$40	
Oklahoma		$35	
Oregon		$36	
Pennsylvania		$29	
Rhode Island		$29	
S. Carolina		$31	
S. Dakota		$52	
Tennessee		$22	
Texas		$37	
Utah		$55	
Vermont		$52	
Virginia		$35	
Washington		$29	
W. Virginia		$22	
Wisconsin		$37	
Wyoming		$48	
Guam		$95	
Puerto Rico		$41	
Virgin Islands		$37	

Data Sources: Office of Population Affairs

(1) Based on unduplicated annual count.

X. B. MEAN FY 84 COSTS PER UNIT SERVED
13.217 FAMILY PLANNING SERVICES

	Total	(1)
United States	$34	
Alabama	$40	
Alaska	$47	
Arizona	$37	
Arkansas	$44	
California	$31	
Colorado	$28	
Connecticut	$21	
Delaware	$32	
D. C.	$51	
Florida	$27	
Georgia	$29	
Hawaii	$97	
Idaho	$29	
Illinois	$46	
Indiana	$38	
Iowa	$23	
Kansas	$27	
Kentucky	$30	
Louisiana	$32	
Maine	$29	
Maryland	$30	
Massachusetts	$42	
Michigan	$44	
Minnesota	$47	
Mississippi	$33	
Missouri	$38	
Montana	$44	
Nebraksa	$38	
Nevada	$31	
New Hampshire	$29	
New Jersey	$41	
New Mexico	$50	
New York	$38	
North Carolina	$30	
North Dakota	$40	
Ohio	$36	
Oklahoma	$31	
Oregon	$38	
Pennsylvania	$29	
Rhode Island	$33	
S. Carolina	$31	
S. Dakota	$51	
Tennessee	$23	
Texas	$38	
Utah	$59	
Vermont	$51	
Virginia	$34	
Washington	$28	
W. Virginia	$21	
Wisconsin	$38	
Wyoming	$52	
Guam	$114	
Puerto Rico	$64	
Virgin Islands	$48	

Data Sources: Office of Population Affairs.

(1) Based on unduplicated annual count.

XI. HISTORICAL DATA (in thousands)
13.217 FAMILY PLANNING SERVICES

Federal Fiscal Year	Total Federal Obligations	Persons Served	(1)
1985	$142,500	4,083	
1984	$140,000	3,970	
1983	$124,088	3,300	
1982	$124,176	3,300	
1981	$161,671	3,800	
1980	$162,000	3,800	
1979	$135,000	3,500	
1978	$135,000	3,500	
1977	$113,815	3,000	
1976	$100,615		
1975	$100,615		
1974	$100,615		
1973	$100,615		
1972	$61,815		
1971	$6,000		
1970			
1969			
1968			
1967			
1966			
1965			
1964			
1963			
1962			
1961			
1960			

Data Sources: Office of Population Affairs.

(1) Based on unduplicated annual count.

TRAINING SERVICES FOR THE DISADVANTAGED

I. PROGRAM SUMMARY

Title II-A of the Job Training Partnership Act provides federal funds to the states in a block grant for job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. The Title II-A programs are administered by the states and implemented through a partnership between the private sector and state and local governments. Operating under state approved plans and minimal federal requirements, the local service providers make eligibility determinations and have considerable discretion to set priorities in their provisions for training and support services.

In FY 1985, an estimated 1.1 million persons were served under 616 local Title II-A programs at a total federal cost of about $1.7 billion. Funds are allocated to the states based on a three-part formula that measures an area's relative number of unemployed and economically disadvantaged persons. State allocations to local service providers are based on the same formula. The federal allocations to the states, however, are subject to certain minimums that do not apply to local service areas. The 1986 amendments to JTPA establish minimum levels for local service delivery areas.

The services provided are primarily classroom and on-the-job training, remedial education, and job search assistance designed to move trainees into permanent regular employment. Classroom trainees may receive needs-based payments with the amounts determined locally and on-the-job trainees are paid at rates at least equal to the federal minimum wage. Trainees may also receive transportation, meals, or temporary shelter to enable them to participate in the program.

Eligibility is limited, in general, to persons whose income does not exceed the federal poverty guidelines or, if higher, 70 percent of the Lower Living Standard Income Level. Also eligible are foster children, some handicapped adults, Food Stamp recipients, and recipients of cash assistance under other public programs. Up to 10 percent of the trainees may be persons who are not economically disadvantaged, but who face significant employment barriers, such as handicapped individuals, displaced homemakers, school dropouts, or teenage parents.

The direct predecessors of the Title II-A block grant and the Title II-B summer programs enacted in 1982 were authorized under the Economic Opportunity Act of 1964 and the Comprehensive Employment and Training Act of 1973. In comparison to their predecessor programs, the Title II-A programs are much more decentralized with fewer administrative burdens on state and local planners and providers. In recent years, the Title II programs have increased their emphasis on remedial education to combat illiteracy.

II. ADMINISTRATION

A. Program name: Training Services for the Disadvantaged.

B. Catalog of Federal Domestic Assistance No.: 17.250
Budget account number(s): 16-0174-0-1-504-00.01.

C. Current authorizing statute: Job Training Partnership Act, Title II-A.

D. Location of program regulations in the Code of Federal Regulations: 20 CFR 629.

E. Federal administering agency: Employment and Training Administration, Department of Labor.

F. Primary grantee (if any) receiving program funds to provide benefits: States; insular areas.

G. Subgrantee (if any) receiving program funds to provide benefits: Counties; cities; school districts; and public agencies.

H. Allocation of federal funds.

Federal funds are allocated to states by a formula based on a state's relative share of certain unemployment and demographic factors, as follows:

- One-third based on the state's share of unemployed residing in areas with unemployment in excess of 6.5 percent;
- One-third based on the state's share of unemployed in excess of 4.5 percent;
- One-third based on the state's share of individuals with income below the poverty level or 70 percent of the Lower Living Standard Income Level.

JTPA includes a floor and a hold-harmless provision that guarantees that no state shall receive less than one-quarter of one percent of the total amount allotted, and no less than 90 percent of the percentage it received the previous year.

States allocate funds to local service delivery areas using a similar formula. Funding is limited to annual appropriation by Congress.

I. Role of state and local governments in administering the program.

The Governor and his appointed state Job Training Coordinating Council plan and allocate funds to Service Delivery Areas. Local government is involved through representation on the Private Industry Councils (PICs). PICs are the organizational embodiment of the partnership of private and public resources in JTPA. Made up of representatives from private industry, state and local government, and community-based organizations, they exercise operational control of the Title II-A block grant and other JTPA programs.

J. Audit or quality control.

The federal government provides very broad standards for administrative efficiency. Costs are disallowed if they are not within the criteria for reimbursement.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

Programs are to provide job training and related assistance to economically disadvantaged individuals and others who face significant employment barriers. The goal is to move trainees into permanent, self-sustaining employment. Public service employment is prohibited.

B. Allocation of program funds among activities.

Local Service Delivery Area staff decide local priorities. Administration and support services can comprise no more than 30 percent of program expenditures; 70 percent of block grant resources must be spent on training.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Eligibility is determined for the individual.

B. Income eligibility standards.

At least 90 percent of these enrolled in Title II-A projects must be economically disadvantaged, meaning an individual who:

- Receives, or is a member of a family which receives, cash welfare payments under a federal, state, or local welfare program;

- Has, or is a member of a family which has, received a total family income for the six month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of the federal poverty guidelines or 70 percent of the Lower Living Standard Income Level;

- Is receiving Food Stamps pursuant to the Food Stamp Act of 1977;

- Is a foster child on behalf of whom state or local government payments are made;

- In cases permitted by regulations of the Secretary, is an adult handicapped individual whose own income meets the requirements but who is a member of a family whose income does not meet such requirement.

Benefits from unemployment compensation are not counted against the income maximum, nor are child support payments. No other income exclusions are specified, but receipt of cash welfare or Food Stamps provides categorical eligibility.

C. Other eligibility requirements.

To qualify for participation, persons with incomes above the limits described above must face a special labor market barrier, such as a physical impairment. No more than ten percent of enrollees may qualify this way.

All male applicants born on or after January 1, 1960, must show proof of compliance with Section 3(a) of the Military Selective Service Act.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Referral by public agencies and voluntary application are the most common processes of program intake.

B. Program benefits or services.

Referrals to the training and employment components of the program are based on interviews and testing. Types of services are determined at local level under overall guidance of local Private Industry Council.

Services include job search activities and workshops, classroom or on-the-job training, usually through community colleges or for-profit organizations, and work experience.

C. Duration of benefits.

Duration of service varies with the type and intensity of training provided. The average period of participation is 17 weeks. A person may participate more than once.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Receipt of public assistance, including cash welfare and Food Stamps, categorically establishes that a person is economically disadvantaged. About 40 percent of JTPA Title II-A recipients receive some type of cash or non-cash public assistance at the time of their application. About half of these are recipients of AFDC.

B. Counting assistance from other programs.

Unemployment compensation, cash and non-cash welfare are not counted as income in determining eligibility.

Services within this program are generally not affected by changes in services of other programs.

C. Overlapping authorities and benefits.

The Work Incentive Program (WIN) and other work programs under Title IV-A of the Social Security Act provide similar services to adult recipients of AFDC. Other programs under JTPA provide training and employment for subpopulations of Title II-A eligibles, such as elderly and youth. In addition, similar services may be provided to the same populations through Adult Basic Education and Vocational Education programs.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Employment and Productivity

House of Representatives

Committee on Education and Labor
    Subcommittee on Employment Opportunities

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Service, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

In the 1930s, after initial programs of relief for the unemployed, the Civilian Conservation Corps, Public Works Administration, and Works Progress Administration funded jobs in national parks and forests, building roads and dams, and on projects aimed at creating jobs in small communities. These programs were phased out with the end of the Great Depression and the beginning of World War II.

For more than two decades no other major federal employment and training programs were created. But the first post-war years of high unemployment from 1958-1961 raised new concerns, resulting in the Manpower Development and Training Act (MDTA) of 1962. It was the first major federal effort to provide training (as opposed to direct job creation) for the unemployed. The program was initially aimed at unemployed workers with work experience who had lost their jobs because of automation, but it soon shifted to people who had few marketable skills. Heavy reliance was placed on institutional training, where participants were trained for particular jobs or in specific skills. In subsequent years, MDTA emphasized on-the-job training (OJT), in which employers were reimbursed for training costs.

The major programs of the mid-1960s were Neighborhood Youth Corps, and Job Corps, authorized by the Economic Opportunity Act of 1964, and the Work Incentive (WIN) Program for AFDC recipients, authorized in 1967. These programs, designed at the federal level, had overlapping goals and served groups with limited work experience or skills. They were separately administered and relied on disparate delivery systems. The Neighborhood Youth Corps operated under the auspices of thousands of separate contracts between the federal government and local operators.

Evaluations have raised doubt about the effectiveness of all these programs. Classroom training has been criticized because it failed to train workers for existing jobs and because participants' performance in their trained skills often was low. OJT subsidies were believed to do little to encourage private employers to train and hire disadvantaged workers, but subsidized employers who would have hired such workers anyway.

The Comprehensive Employment and Training Act (CETA): These problems led to a major restructuring of manpower programs in the 1970s. The Comprehensive Employment and Training Act (CETA) of 1973 was the result. It consolidated some programs and transferred responsibility for administering and delivering these services to state and local governments. Federal grants were distributed to local "prime sponsors" -- state, county, or municipal governments or consortia -- to run local employment and training programs. These grants were used to provide training and support services to the unemployed and economically disadvantaged.

CETA included a number of different employment and training services, such as public service employment (PSE), classroom and on-the-job training, allowance payments, support services, and job search assistance. It targeted low income and minority workers and youth. Although conceived as a training program, early amendments made it a large, public job-creation program to counter the effects of a recession then underway.

CETA expanded in 1974 with the addition of two public-service employment programs, and in 1977 it increased further when a major new component, the Youth Employment and Demonstration Projects Act, was added. The latter was a $1 billion effort to employ youth and keep them in school. As CETA grew, it became more controversial. Title VI was enacted to use public service employment to combat the high unemployment of the 1974-1975 recession. High levels of public employment were reached only in 1977-1978, however, when unemployment already had fallen appreciably.

The Private Sector Initiatives program was also added in 1978. It created local Private Industry Councils (PICs) that were to become the cornerstone of the Job Training Partnership Act.

The Job Training Partnership Act (JTPA): JTPA, which replaced CETA in 1982, consolidated many of the separate categorical programs into a large block grant, continued other programs, such as the Summer Youth Employment Program and the Job Corps, and created a separate program for assisting dislocated workers. Unlike CETA, which relied heavily on public sector employment, JTPA emphasizes skills training for private sector jobs and prohibits public-service employment (except for disadvantaged youth during the summer). At least 70 percent of funds must be used for training. The remaining 30 percent may be used for supportive services, work experience stipends and administrative costs, but administrative costs must not exceed 15 percent. JTPA distributes funds to governors and gives locally elected officials and private representatives operating through local PICs authority to run the program.

Participation of youth and public assistance recipients is stressed in JTPA. Welfare recipients are to be served in proportion to their share of the eligible population 16 years of age and over in the service area of the program. At least 90 percent of participants must be from families who receive public assistance or whose income is less than 70 percent of the lower living standard income level. At least 40 percent of program funds must be spent on disadvantaged youth ages 16 through 21.

Amendments in 1986 established requirements for literacy training for youth participating in the Title II-B Summer Youth Employment Program, and a hold-harmless factor for substate allocations.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands) (1)
17.250 TRAINING PROGRAM FOR THE DISADVANTAGED

	Benefits	Administration	Total
United States	$1,337,020	$223,010	$1,560,030
Alabama	$35,872	$5,344	$41,216
Alaska	$3,314	$524	$3,838
Arizona	$12,887	$2,431	$15,318
Arkansas	$13,283	$2,064	$15,347
California	$135,265	$23,322	$158,587
Colorado	$13,656	$2,272	$15,927
Connecticut	$10,232	$1,786	$12,018
Delaware	$3,030	$431	$3,461
Dist. of Col.	$5,414	$527	$5,940
Florida	$56,345	$9,383	$65,729
Georgia	$29,344	$4,631	$33,974
Hawaii	$4,307	$755	$5,061
Idaho	$5,209	$978	$6,187
Illinois	$79,753	$12,652	$92,405
Indiana	$32,812	$5,628	$38,441
Iowa	$13,758	$2,282	$16,040
Kansas	$8,646	$1,304	$9,949
Kentucky	$27,376	$4,260	$31,636
Louisiana	$27,609	$4,832	$32,440
Maine	$5,982	$1,107	$7,088
Maryland	$17,689	$2,943	$20,631
Massachusette	$27,079	$3,824	$30,903
Michigan	$72,107	$11,420	$83,527
Minnesota	$19,199	$3,113	$22,312
Mississippi	$19,430	$2,654	$22,084
Missouri	$28,526	$4,361	$32,887
Montana	$5,071	$866	$5,936
Nebraska	$4,840	$772	$5,612
Nevada	$4,160	$847	$5,007
New Hampshire	$4,312	$592	$4,904
New Jersey	$35,758	$5,825	$41,583
New Mexico	$7,741	$1,442	$9,183
New York	$83,871	$16,071	$99,942
North Carolina	$27,662	$5,783	$33,445
North Dakota	$3,631	$485	$4,116
Ohio	$70,552	$12,971	$83,523
Oklahoma	$16,104	$1,864	$17,969
Oregon	$17,691	$2,519	$20,210
Pennsylvania	$65,047	$11,815	$76,861
Rhode Island	$4,872	$873	$5,745
South Carolina	$18,920	$2,917	$21,836
South Dakota	$2,940	$372	$3,312
Tennessee	$32,262	$4,783	$37,045
Texas	$75,709	$11,490	$87,199
Utah	$6,692	$843	$7,535
Vermont	$3,325	$619	$3,944
Virginia	$20,623	$3,366	$23,989
Washington	$27,448	$4,692	$32,140
West Virginia	$15,552	$2,127	$17,679
Wisconsin	$29,723	$4,656	$34,380
Wyoming	$3,612	$597	$4,209
Amer. Samoa	$257	$73	$330
Guam	$829	$387	$1,216
N. Marianas	$127	$33	$160
Puerto Rico	$38,327	$8,329	$46,656
Trust Terr.	$0	$0	$0
Virgin Islands	$1,238	$175	$1,413

Data Sources: Quarterly Status Reports.

(1) Data represent Program Year 1985, which ran from July 1, 1985 through June 30, 1986.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (In thousands) (1)
17.250 TRAINING PROGRAM FOR THE DISADVANTAGED

	Benefits	Administration	Total
United States	$1,191,416	$219,002	$1,410,418
Alabama	$32,308	$4,798	$37,106
Alaska	$2,815	$586	$3,400
Arizona	$14,283	$2,843	$17,126
Arkansas	$11,560	$1,906	$13,466
California	$119,113	$23,573	$142,685
Colorado	$12,103	$2,235	$14,338
Connecticut	$11,189	$2,013	$13,201
Delaware	$2,769	$448	$3,217
Dist. of Col.	$4,806	$823	$5,629
Florida	$44,483	$8,344	$52,827
Georgia	$22,359	$4,167	$26,526
Hawaii	$4,719	$858	$5,577
Idaho	$5,145	$986	$6,132
Illinois	$59,193	$11,204	$70,397
Indiana	$31,795	$5,387	$37,182
Iowa	$13,492	$2,228	$15,720
Kansas	$6,622	$1,298	$7,920
Kentucky	$23,818	$4,666	$28,484
Louisiana	$19,724	$4,034	$23,758
Maine	$5,270	$1,105	$6,375
Maryland	$15,999	$3,542	$19,541
Massachusetts	$24,843	$4,946	$29,789
Michigan	$66,298	$11,796	$78,094
Minnesota	$18,409	$2,858	$21,267
Mississippi	$17,583	$2,441	$20,024
Missouri	$22,587	$3,645	$26,232
Montana	$4,343	$620	$4,963
Nebraska	$5,402	$709	$6,111
Nevada	$5,119	$979	$6,098
New Hampshire	$2,366	$647	$3,012
New Jersey	$35,276	$6,277	$41,553
New Mexico	$8,012	$1,267	$9,278
New York	$83,437	$17,580	$101,017
North Carolina	$25,881	$5,448	$31,329
North Dakota	$3,215	$542	$3,757
Ohio	$63,500	$11,798	$75,298
Oklahoma	$11,461	$1,561	$13,022
Oregon	$15,975	$2,269	$18,243
Pennsylvania	$63,071	$11,601	$74,672
Rhode Island	$5,280	$1,085	$6,364
South Carolina	$20,851	$3,225	$24,077
South Dakota	$2,507	$486	$2,992
Tennessee	$27,454	$4,677	$32,131
Texas	$59,780	$11,187	$70,968
Utah	$6,272	$951	$7,223
Vermont	$2,742	$577	$3,320
Virginia	$22,270	$3,446	$25,716
Washington	$23,505	$4,216	$27,721
West Virginia	$12,367	$2,127	$14,494
Wisconsin	$29,352	$4,299	$33,652
Wyoming	$2,689	$400	$3,089
Amer. Samoa	$286	$69	$355
Guam	$635	$259	$894
N. Marianas	$91	$16	$107
Puerto Rico	$32,888	$7,573	$40,462
Trust Terr.	$836	$139	$975
Virgin Islands	$1,266	$245	$1,512

Data Sources: Quarterly Status Reports.

(1) Data represent Program Year 1984, which ran from July 1, 1984 through June 30, 1985.

IX. A. FY 85 RECIPIENT CHARACTERISTICS (1)
17.250 TRAINING PROGRAM FOR THE DISADVANTAGED

	Participants	Elderly	Handicapped
United States	1,075,416	14,397	36,591
Alabama	26,557	173	643
Alaska	1,997	1	53
Arizona	10,525	81	509
Arkansas	16,463	173	380
California	90,669	1,737	3,768
Colorado	15,621	202	763
Connecticut	6,869	90	374
Delaware	2,778	10	193
D. C.	2,365	170	208
Florida	46,896	821	1,775
Georgia	22,720	267	640
Hawaii	3,810	22	86
Idaho	4,333	127	318
Illinois	59,682	990	1,215
Indiana	29,594	71	539
Iowa	12,694	75	465
Kansas	8,689	77	347
Kentucky	19,736	138	589
Louisiana	26,063	145	265
Maine	5,262	479	266
Maryland	21,341	103	613
Massachusetts	16,126	237	891
Michigan	55,562	815	2,345
Minnesota	24,127	416	949
Mississippi	19,790	87	507
Missouri	22,171	189	515
Montana	4,894	156	290
Nebraska	4,590	115	197
Nevada	2,754	37	181
New Hampshire	2,740	29	171
New Jersey	20,780	221	583
New Mexico	5,392	53	235
New York	70,434	1,046	2,256
N. Carolina	30,192	379	1,071
N. Dakota	2,705	130	219
Ohio	60,695	864	1,754
Oklahoma	14,442	173	302
Oregon	14,742	376	623
Pennsylvania	43,845	278	1,088
Rhode Island	2,454	23	56
S. Carolina	17,963	61	382
S. Dakota	4,484	47	179
Tennessee	29,814	297	835
Texas	60,334	593	1,962
Utah	6,354	112	355
Vermont	3,130	31	171
Virginia	9,168	214	627
Washington	20,601	221	1,043
W. Virginia	10,254	200	434
Wisconsin	30,619	839	2,041
Wyoming	2,672	14	123
American Samoa	434	0	0
Guam	730	7	10
Northern Marianas	62	0	3
Puerto Rico	25,026	162	171
Virgin Islands	672	3	15

Data Sources: Quarterly Status Reports

(1) Represents unduplicated annual count for Program Year 1985, July 1, 1985 through June 30, 1986.

IX. B. FY 84 RECIPIENT CHARACTERISTICS (1)
17.250 TRAINING PROGRAM FOR THE DISADVANTAGED

	Participants	Elderly	Handicapped
United States	917,991	11,896	31,839
Alabama	24,198	123	561
Alaska	1,704	25	55
Arizona	10,316	71	518
Arkansas	19,148	157	309
California	65,612	1,446	3,330
Colorado	12,937	176	689
Connecticut	7,866	114	474
Delaware	2,646	14	231
D. C.	2,469	40	179
Florida	23,852	805	1,401
Georgia	17,721	99	593
Hawaii	2,497	20	80
Idaho	4,332	92	293
Illinois	49,707	640	1,015
Indiana	27,022	43	470
Iowa	11,260	106	579
Kansas	7,592	75	264
Kentucky	22,406	150	541
Louisiana	16,952	102	250
Maine	5,016	374	252
Maryland	17,590	241	606
Massachusetts	16,413	246	855
Michigan	52,246	666	1,964
Minnesota	21,735	304	749
Mississippi	17,939	94	262
Missouri	19,266	182	447
Montana	3,109	120	271
Nebraska	4,776	173	219
Nevada	2,935	56	0
New Hampshire	1,538	16	75
New Jersey	17,607	263	619
New Mexico	6,027	40	214
New York	69,416	914	1,344
N. Carolina	27,134	196	935
N. Dakota	2,458	117	163
Ohio	54,964	985	1,339
Oklahoma	13,410	109	286
Oregon	13,537	216	653
Pennsylvania	40,071	264	1,082
Rhode Island	2,736	31	68
S. Carolina	20,396	76	440
S. Dakota	3,278	19	138
Tennessee	25,694	268	727
Texas	43,203	393	1,225
Utah	6,354	89	355
Vermont	2,852	23	134
Virginia	17,511	190	691
Washington	18,843	201	977
W. Virginia	8,803	122	554
Wisconsin	29,069	601	1,974
Wyoming	1,828	9	88
American Samoa	431	0	1
Guam	863	14	6
Northern Marianas	103	0	2
Puerto Rico	22,770	526	276
Virgin Islands	542	2	16

Data Sources: Quarterly Status Reports

(1) Represents unduplicated annual count for Program Year 1984, July 1, 1985 through June 30, 1985.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
17.250 TRAINING PROGRAM FOR THE DISADVANTAGED

	Benefits	Administration	Total
United States	$1,243	$207	$1,451
Alabama	$1,351	$201	$1,552
Alaska	$1,660	$262	$1,922
Arizona	$1,224	$231	$1,455
Arkansas	$807	$125	$932
California	$1,492	$257	$1,749
Colorado	$874	$145	$1,020
Connecticut	$1,490	$260	$1,750
Delaware	$1,091	$155	$1,246
Dist. of Col.	$2,289	$223	$2,512
Florida	$1,201	$200	$1,402
Georgia	$1,292	$204	$1,495
Hawaii	$1,130	$198	$1,328
Idaho	$1,202	$226	$1,428
Illinois	$1,336	$212	$1,548
Indiana	$1,109	$190	$1,299
Iowa	$1,084	$180	$1,264
Kansas	$995	$150	$1,145
Kentucky	$1,387	$216	$1,603
Louisiana	$1,059	$185	$1,245
Maine	$1,137	$210	$1,347
Maryland	$829	$138	$967
Massachusette	$1,679	$237	$1,916
Michigan	$1,298	$206	$1,503
Minnesota	$796	$129	$925
Mississippi	$982	$134	$1,116
Missouri	$1,287	$197	$1,483
Montana	$1,036	$177	$1,213
Nebraska	$1,054	$168	$1,223
Nevada	$1,510	$308	$1,818
New Hampshire	$1,574	$216	$1,790
New Jersey	$1,721	$280	$2,001
New Mexico	$1,436	$267	$1,703
New York	$1,191	$228	$1,419
North Carolina	$916	$192	$1,108
North Dakota	$1,342	$179	$1,522
Ohio	$1,162	$214	$1,376
Oklahoma	$1,115	$129	$1,244
Oregon	$1,200	$171	$1,371
Pennsylvania	$1,484	$269	$1,753
Rhode Island	$1,985	$356	$2,341
South Carolina	$1,053	$162	$1,216
South Dakota	$656	$83	$739
Tennessee	$1,082	$160	$1,243
Texas	$1,255	$190	$1,445
Utah	$1,053	$133	$1,186
Vermont	$1,062	$198	$1,260
Virginia	$2,249	$367	$2,617
Washington	$1,332	$228	$1,560
West Virginia	$1,517	$207	$1,724
Wisconsin	$971	$152	$1,123
Wyoming	$1,352	$223	$1,575
Amer. Samoa	$593	$168	$761
Guam	$1,135	$531	$1,666
N. Marianas	$2,046	$529	$2,575
Puerto Rico	$1,531	$333	$1,864
Virgin Islands	$1,842	$261	$2,103

Data Sources: Quarterly Status Reports.

(1) Data represent Program Year 1985, which ran from July 1, 1985 through June 30, 1986. Spending from Table VIII.A. was divided by participants from Table IX.A.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
17.250 TRAINING PROGRAM FOR THE DISADVANTAGED

	Benefits	Administration	Total
United States	$1,298	$239	$1,536
Alabama	$1,335	$198	$1,533
Alaska	$1,652	$344	$1,996
Arizona	$1,385	$276	$1,660
Arkansas	$604	$100	$703
California	$1,815	$359	$2,175
Colorado	$936	$173	$1,108
Connecticut	$1,422	$256	$1,678
Delaware	$1,047	$169	$1,216
Dist. of Col.	$1,946	$333	$2,280
Florida	$1,865	$350	$2,215
Georgia	$1,262	$235	$1,497
Hawaii	$1,890	$343	$2,233
Idaho	$1,188	$228	$1,415
Illinois	$1,191	$225	$1,416
Indiana	$1,177	$199	$1,376
Iowa	$1,198	$198	$1,396
Kansas	$872	$171	$1,043
Kentucky	$1,063	$208	$1,271
Louisiana	$1,164	$236	$1,401
Maine	$1,051	$220	$1,271
Maryland	$910	$201	$1,111
Massachusette	$1,514	$301	$1,815
Michigan	$1,269	$226	$1,495
Minnesota	$847	$131	$978
Mississippi	$980	$136	$1,116
Missouri	$1,172	$189	$1,362
Montana	$1,397	$199	$1,596
Nebraska	$1,131	$149	$1,280
Nevada	$1,744	$333	$2,078
New Hampshire	$1,538	$420	$1,959
New Jersey	$2,003	$357	$2,360
New Mexico	$1,329	$210	$1,539
New York	$1,202	$253	$1,455
North Carolina	$954	$201	$1,155
North Dakota	$1,308	$221	$1,529
Ohio	$1,155	$215	$1,370
Oklahoma	$855	$116	$971
Oregon	$1,180	$168	$1,348
Pennsylvania	$1,574	$290	$1,863
Rhode Island	$1,930	$396	$2,326
South Carolina	$1,022	$158	$1,180
South Dakota	$765	$148	$913
Tennessee	$1,069	$182	$1,251
Texas	$1,384	$259	$1,643
Utah	$987	$150	$1,137
Vermont	$962	$202	$1,164
Virginia	$1,272	$197	$1,469
Washington	$1,247	$224	$1,471
West Virginia	$1,405	$242	$1,646
Wisconsin	$1,010	$148	$1,158
Wyoming	$1,471	$219	$1,690
Amer. Samoa	$664	$159	$824
Guam	$736	$300	$1,036
N. Marianas	$884	$152	$1,035
Puerto Rico	$1,444	$333	$1,777
Virgin Islands	$2,337	$452	$2,789

Data Sources: Quarterly Status Reports.

(1) Data represent Program Year 1984, which ran from July 1, 1984 through June 30, 1985. Spending from Table VIII.B. was divided by participants from Table IX.B.

XI. HISTORICAL DATA (Dollars in thousands) (1)
17.250 TRAINING PROGRAM FOR THE DISADVANTAGED

Federal Fiscal Year	Total Federal Outlays	Units Served	(2) (3)	Persons Served	(2) (4)
1985	$1,710,104	350,000		1,133,700	
1984	$1,544,506	531,216		1,557,100	
1983	$2,290,555	324,009		1,045,888	
1982	$2,373,517	370,041		1,198,450	
1981	$3,394,934	757,294		2,119,563	
1980	$3,236,269	935,438		2,529,956	
1979	$2,546,497	1,069,103		2,748,930	
1978	$2,378,420	1,209,714		2,885,318	
1977	$1,756,213	1,598,685		2,198,941	
1976	$2,755,582	781,255	(5)	3,506,370	(5)
1975	$2,504,200				
1974	$1,136,600				
1973	$978,200				
1972	$1,156,100				
1971	$1,107,100				
1970	$953,800				
1969	$512,900				
1968	$556,000				
1967	$280,800				
1966	$335,700				
1965	$87,000				
1964	$79,700				
1963					
1962					
1961					
1960					

Data Sources: Outlays from the Office of Management and Budget.
Other data from Employment and Training Administration.

(1) JTPA II-A Block Grant was implemented in 1984. Data displayed for FY 1983 and prior years represent the total for its predecessor programs operating during the given year. These include CETA titles II-B/C (Training Grant 1976 -1983), II-D and VI (PSE 1976 - 1981), IV-A (YCCIP 1978 - 1981, AND YETP 1978 - 1983 and VII (PSIP 1979 - 1983).
(2) Fiscal Years through 1983. TP was 10/1/83 - 6/30/84. PY 1984 was 7/1/84 - 6/30/85. PY 1985 was 7/1/85 - 6/30/86.
(3) Service years.
(4) Total participants.
(5) Transitional quarter added.

SUMMER YOUTH EMPLOYMENT PROGRAM

I. PROGRAM SUMMARY

Title II-B of the Job Training Partnership Act provides federal funds to states for summer programs that offer economically disadvantaged youths work experience, education, and encouragement to remain in school. Title II-B programs are administered by the states and are implemented through a partnership between the private sector and state and local governments. Operating under state approved plans and with minimal federal requirements, local service providers make eligibility determinations and have substantial discretion to set their own priorities for the use of the summer funds.

In FY 1986, about 742,000 youths participated in Title II-B summer programs at a total federal cost of about $746 million. The programs are fully funded by the federal government. Subject to certain minimums, the federal funds are allocated to the states based on a three-part formula that measures an area's relative number of unemployed and economically disadvantaged persons. State allocations to local service providers are based on the same formula. The 1986 JTPA amendments established a hold-harmless base for future allocations.

The services provided are primarily work experience at public institutions such as schools or parks. However, the 1986 amendments to JTPA require a greater emphasis on basic education and literacy training. Trainees engaged in work experience are paid at a rate at least equal to the federal minimum wage. Participants engaged in services other than work experience may receive needs-based payments and amounts determined locally. Support services such as insurance, meals, and transportation may also be provided.

Eligibility is limited to economically disadvantaged youth aged 14 to 21. Economically disadvantaged is defined, in general, as persons from households whose income does not exceed the federal poverty guidelines or, if higher, 70 percent of the Lower Living Standard Income Level. The definition includes youth from households receiving Food Stamps or households who qualify for cash assistance under other public programs as well as foster children and some handicapped adults.

II. ADMINISTRATION

A. Program name: Summer Youth Employment Program.

B. Catalog of Federal Domestic Assistance No.: 17.250
Budget account number(s): 16-0174-0-1-504-00.02.

C. Current authorizing statute: Job Training Partnership Act, Title II-B.

D. Location of program regulations in the Code of Federal Regulations: 20 CFR 629.

E. Federal administering agency: Employment and Training Administration, Department of Labor.

F. Primary grantee (if any) receiving program funds to provide benefits: States; insular areas.

G. Subgrantee (if any) receiving program funds to provide benefits: Counties; cities; tribal organizations; private nonprofit organizations; private for-profit organizations; school districts; public agencies.

H. Allocation of federal funds.

Federal funds are allocated to states by a formula based on a state's relative share of certain unemployment and demographic factors, as follows:

- One-third based on the state's share of unemployed residing in areas with unemployment in excess of 6.5 percent;
- One-third based on the state's share of unemployed in excess of 4.5 percent;
- One-third based on the state's share of individuals with income below the poverty level or 70 percent of the Lower Living Standard Income Level.

JTPA includes a floor and a hold-harmless provision that guarantees that no state shall receive less than one-quarter of one percent of the total amount allotted, and no less than 90 percent of the percentage it received the previous year.

States allocate funds to local service delivery areas using a similar formula. Funding is limited to annual appropriation by Congress.

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I. Role of state and local governments in administering the program.

The Governor and his appointed state Job Training Coordinating Council plan and allocate funds to Service Delivery Areas. Local government is involved through representation on the Private Industry Councils (PICs). PICs are the organizational embodiment of the partnership of private and public resources in JTPA. Made up of representatives from private industry, state and local government, and community-based organizations, they exercise operational control of the Title II-A block grant and other JTPA programs.

J. Audit or quality control.

The federal government provides very broad standards for administrative efficiency. Costs are disallowed if they are not within the criteria for reimbursement.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

Basic purposes are to provide youth with work experience, education, and encouragement to remain in school. By providing summer jobs, the intent is to expose youth to the world of work and enhance basic education and work skills.

B. Allocation of program funds among activities.

Funds are allocated among various activities at the discretion of local staff.

No more than 15 percent of funds available may be used for the costs of administration.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Eligibility is limited to economically disadvantaged youth ages 16 to 21. (Under some circumstances, individuals 14 and 15 years old may qualify.)

B. Income eligibility standards.

All participants must be economically disadvantaged, meaning an individual who:

- Receives, or is a member of a family which receives, cash welfare payments under a federal, state, or local welfare program;

- Has, or is a member of a family which has, received a total family income for the six month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of the federal poverty guidelines or 70 percent of the Lower Living Standard Income Level;

- Is receiving Food Stamps pursuant to the Food Stamp Act of 1977;

- Is a foster child on behalf of whom state or local government payments are made;

- In cases permitted by regulations of the Secretary, is an adult handicapped individual whose own income meets the requirements but who is a member of a family whose income does not meet such requirement.

Benefits from unemployment compensation are not counted against the income maximum, nor are child support payments. No other income exclusions are specified, but receipt of cash welfare provides categorical eligibility.

C. Other eligibility requirements.

All male applicants born on or after January 1, 1960, must show proof of compliance with Section 3(a) of the Military Selective Service Act.

D. Other income recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Voluntary application and referral by public agencies are the most common process of program intake.

B. Program benefits or services.

The services provided are primarily work experience at public institutions such as schools or parks. Such work experience may also be supplemented with basic education and literacy training. Trainees engaged in work experience are paid at a rate at least equal to the federal minimum wage. Participants engaged in services other than work experience may receive needs-based payments and amounts determined locally. Support services such as insurance, meals, and transportation may also be provided.

C. Duration of benefits.

Average duration of participation is approximately 10 weeks. Individuals may participate for more than one summer. No information is available on the proportion who do.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Receipt of public assistance, including cash welfare and Food Stamps, categorically establishes that a person is economically disadvantaged.

B. Counting assistance from other programs.

Unemployment compensation, cash and non-cash welfare are not counted as income in determining eligibility. Services within this program are generally not affected by changes in services of other programs.

C. Overlapping authorities.

Employment and training programs for the same target population are authorized by Titles II-A and IV of JTPA. In addition, educaiton and training is provided through Adult Education and Vocational Education programs.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
Subcommittee on Employment and Productivity

House of Representatives

Committee on Education and Labor
Subcommittee on Employment Opportunities

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

The SYTEP was part of the Neighborhood Youth Corps (NYC) established by the Economic Opportunity Act of 1964. It was intended to create part-time work experience, remedial education, and limited job training for disadvantaged youth who either did not complete high-school or were potential dropouts (called the in-school component). A summer employment program was added as part of the in-school program to encourage students to stay in school.

In 1974, the summer component was incorporated into the Comprehensive Employment and Training Act. In 1982, it became Title II-B of the Job Training Partnership Act. The 1986 amendments require a greater emphasis on basic education and literacy training.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
17.250 SUMMER YOUTH EMPLOYMENT PROGRAM (JTPA)

	Participant Support	Administration	Training Costs	Total
United States	$404,838	$98,902	$289,192	$792,933
Alabama	$14,200	$2,203	$1,128	$17,530
Alaska	$1,424	$310	$453	$2,187
Arizona	$168	$1,047	$7,062	$8,278
Arkansas	$7,275	$735	$266	$8,277
California	$44,853	$10,464	$20,526	$75,843
Colorado	$3,597	$1,034	$3,085	$7,716
Connecticut	$3,517	$1,138	$4,852	$9,507
Delaware	$212	$189	$1,337	$1,738
D. C.	$14	$1,158	$5,763	$6,935
Florida	$6,137	$3,932	$18,555	$28,624
Georgia	$11,368	$2,269	$1,992	$15,630
Hawaii	$2,856	$268	$15	$3,138
Idaho	$2,280	$346	$524	$3,150
Illinois	$30,322	$5,078	$8,004	$43,404
Indiana	$9,216	$2,671	$9,524	$21,411
Iowa	$2,870	$1,027	$4,260	$8,157
Kansas	$15	$419	$5,396	$5,831
Kentucky	$11,101	$1,286	$1,171	$13,558
Louisiana	$13,535	$1,273	$1,149	$15,958
Maine	$14	$650	$3,022	$3,686
Maryland	$8	$1,570	$12,076	$13,653
Massachusetts	$9,393	$2,877	$6,349	$18,619
Michigan	$25,944	$5,909	$7,515	$39,368
Minnesota	$0	$1,910	$9,782	$11,692
Mississippi	$2	$693	$8,909	$9,604
Missouri	$11,879	$1,760	$2,353	$15,992
Montana	$2,204	$316	$375	$2,895
Nebraska	$1,127	$375	$2,421	$3,922
Nevada	$1,443	$370	$540	$2,353
New Hampshire	$53	$263	$1,836	$2,152
New Jersey	$16,773	$2,962	$4,421	$24,156
New Mexico	$3,215	$285	$950	$4,451
New York	$44,542	$7,213	$8,756	$60,511
N. Carolina	$13,620	$2,787	$2,171	$18,578
N. Dakota	$6	$206	$1,550	$1,762
Ohio	$2,067	$5,727	$34,144	$41,938
Oklahoma	$6,861	$589	$1,638	$9,087
Oregon	$931	$1,394	$7,920	$10,244
Pennsylvania	$31,727	$5,375	$5,328	$42,430
Rhode Island	$1,688	$523	$1,172	$3,384
S. Carolina	$7,571	$1,111	$1,474	$10,156
S. Dakota	$0	$74	$1,733	$1,808
Tennessee	$10,847	$1,584	$4,214	$16,646
Texas	$9,077	$5,025	$27,055	$41,156
Utah	$270	$400	$3,056	$3,628
Vermont	$1,200	$203	$329	$1,732
Virginia	$2,157	$1,834	$10,419	$14,410
Washington	$8,473	$2,147	$3,965	$14,584
W. Virginia	$7,953	$470	$575	$8,998
Wisconsin	$1,945	$1,842	$11,127	$14,914
Wyoming	$1,252	$215	$294	$1,761
Guam	$0	$0	$0	$0
Puerto Rico	$15,631	$3,460	$6,224	$25,314
Virgin Islands	$0	$30	$321	$351

Data Sources: Quarterly Status Report
JTPA-Summer Youth Employment and Training PY 85 Grants
(July 1, 1985 to June 30, 1986)

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
17.250 SUMMER YOUTH EMPLOYMENT PROGRAM (JTPA)

	Participant Support	Administration	Training Costs	Total
United States	$322,954	$80,567	$294,363	$697,884
Alabama	$12,809	$1,941	$1,045	$15,795
Alaska	$442	$170	$653	$1,264
Arizona	$94	$1,199	$6,740	$8,033
Arkansas	$3,662	$571	$3,474	$7,707
California	$40,999	$9,441	$20,035	$70,475
Colorado	$4,903	$867	$901	$6,671
Connecticut	$3,774	$999	$3,526	$8,299
Delaware	$214	$240	$1,350	$1,805
D. C.	$96	$1,166	$6,515	$7,777
Florida	$2,539	$2,820	$18,229	$23,587
Georgia	$7,901	$1,236	$3,148	$12,285
Hawaii	$1,587	$286	$202	$2,074
Idaho	$1,968	$322	$364	$2,636
Illinois	$935	$5,564	$35,954	$42,454
Indiana	$9,602	$2,137	$6,862	$18,601
Iowa	$3,115	$682	$2,724	$6,521
Kansas	$3,193	$338	$983	$4,514
Kentucky	$11,300	$986	$758	$13,044
Louisiana	$8,424	$986	$4,099	$13,509
Maine	$13	$350	$3,090	$3,452
Maryland	$77	$1,633	$10,335	$12,044
Massachusetts	$5,556	$3,121	$8,129	$16,807
Michigan	$24,475	$3,732	$6,219	$34,426
Minnesota	$1,049	$1,095	$7,386	$9,530
Mississippi	$376	$816	$7,091	$8,282
Missouri	$3,953	$1,302	$8,656	$13,910
Montana	$1,443	$228	$250	$1,920
Nebraska	$686	$371	$1,860	$2,917
Nevada	$1,662	$369	$542	$2,573
New Hampshire	$42	$149	$1,511	$1,702
New Jersey	$15,780	$2,195	$4,023	$21,998
New Mexico	$0	$569	$3,663	$4,233
New York	$40,118	$5,490	$8,967	$54,574
N. Carolina	$12,163	$1,482	$1,206	$14,851
N. Dakota	$7	$211	$1,485	$1,703
Ohio	$6,134	$5,262	$28,193	$39,589
Oklahoma	$5,212	$429	$894	$6,536
Oregon	$2,139	$983	$5,468	$8,590
Pennsylvania	$29,477	$4,149	$3,997	$37,622
Rhode Island	$1,721	$540	$1,174	$3,435
S. Carolina	$5,952	$1,015	$1,682	$8,648
S. Dakota	$0	$72	$1,602	$1,674
Tennessee	$10,701	$996	$3,233	$14,929
Texas	$3,151	$2,871	$22,268	$28,290
Utah	$20	$344	$2,795	$3,159
Vermont	$1,168	$200	$294	$1,663
Virginia	$816	$1,559	$10,056	$12,431
Washington	$7,401	$1,828	$3,365	$12,594
W. Virginia	$6,013	$498	$1,225	$7,737
Wisconsin	$3,204	$1,495	$9,445	$14,144
Wyoming	$1,131	$190	$226	$1,547
Guam	$0	$56	$561	$617
Puerto Rico	$13,751	$2,980	$5,497	$22,228
Virgin Islands	$0	$25	$286	$310

Data Sources: Quarterly Status Report:
JTPA-Summer Youth Employment and Training PY 84 Grants
(July 1, 1984 to June 30,1985)

IX. A. FY 85 RECIPIENT CHARACTERISTICS
17.250 SUMMER YOUTH EMPLOYMENT PROGRAM (JTPA)

	Participants	(1)
United States	787,785	(2)
Alabama	14,311	
Alaska	1,329	
Arizona	7,253	
Arkansas	8,240	
California	66,523	
Colorado	6,303	
Connecticut	10,262	
Delaware	2,058	
D. C.	8,816	
Florida	26,963	
Georgia	14,142	
Hawaii	3,430	
Idaho	2,284	
Illinois	43,322	
Indiana	21,399	
Iowa	7,107	
Kansas	5,189	
Kentucky	14,686	
Louisiana	15,858	
Maine	3,030	
Maryland	13,017	
Massachusetts	17,298	
Michigan	32,846	
Minnesota	10,587	
Mississippi	10,478	
Missouri	13,994	
Montana	1,963	
Nebraska	1,821	
Nevada	1,775	
New Hampshire	2,034	
New Jersey	26,862	
New Mexico	5,438	
New York	68,224	
N. Carolina	15,507	
N. Dakota	1,696	
Ohio	39,125	
Oklahoma	7,264	
Oregon	6,787	
Pennsylvania	45,219	
Rhode Island	2,662	
S. Carolina	12,997	
S. Dakota	2,035	
Tennessee	18,199	
Texas	25,742	
Utah	2,973	
Vermont	1,968	
Virginia	11,056	
Washington	10,260	
W. Virginia	8,880	
Wisconsin	13,960	
Wyoming	773	
Guam	0	
Puerto Rico	70,941	
Virgin Islands	550	

Data Sources: Quarterly Status Report:
JTPA-Summer Youth Employment and Training FY 85 Grants

(1) Based on unduplicated annual count.
(2) The difference between IX. A. and XI is attributable to variations in state reporting and updating quarterly data for annual totals.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
17.250 SUMMER YOUTH EMPLOYMENT PROGRAM (JTPA)

	Participants	(1)
United States	754,842	(2)
Alabama	17,812	
Alaska	857	
Arizona	6,958	
Arkansas	7,026	
California	67,622	
Colorado	5,411	
Connecticut	10,305	
Delaware	2,015	
D. C.	9,239	
Florida	23,798	
Georgia	13,219	
Hawaii	2,556	
Idaho	1,929	
Illinois	43,356	
Indiana	17,304	
Iowa	6,240	
Kansas	4,023	
Kentucky	14,156	
Louisiana	13,460	
Maine	3,197	
Maryland	12,298	
Massachusetts	17,594	
Michigan	31,660	
Minnesota	9,497	
Mississippi	8,774	
Missouri	12,201	
Montana	1,371	
Nebraska	2,364	
Nevada	1,949	
New Hampshire	1,699	
New Jersey	19,918	
New Mexico	4,685	
New York	68,232	
N. Carolina	14,530	
N. Dakota	1,641	
Ohio	36,973	
Oklahoma	5,159	
Oregon	6,890	
Pennsylvania	42,295	
Rhode Island	2,654	
S. Carolina	12,731	
S. Dakota	1,758	
Tennessee	17,440	
Texas	26,671	
Utah	2,200	
Vermont	1,928	
Virginia	9,832	
Washington	9,066	
W. Virginia	7,853	
Wisconsin	14,147	
Wyoming	693	
Guam	673	
Puerto Rico	76,277	
Virgin Islands	364	

Data Sources: Quarterly Status Report
JTPA-Summer Youth Employment and Training FY 84 Grants

(1) Based on unduplicated annual count.
(2) The difference between IX. B. and XI is attributable to variations in state reporting and updating quarterly data for annual totals.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
17.250 SUMMER YOUTH EMPLOYMENT PROGRAM (JTPA)

	Total
United States	$1,007
Alabama	$1,225
Alaska	$1,646
Arizona	$1,141
Arkansas	$1,004
California	$1,140
Colorado	$1,224
Connecticut	$926
Delaware	$844
D. C.	$787
Florida	$1,062
Georgia	$1,105
Hawaii	$915
Idaho	$1,379
Illinois	$1,002
Indiana	$1,001
Iowa	$1,148
Kansas	$1,124
Kentucky	$923
Louisiana	$1,006
Maine	$1,216
Maryland	$1,049
Massachusetts	$1,076
Michigan	$1,199
Minnesota	$1,104
Mississippi	$917
Missouri	$1,143
Montana	$1,475
Nebraska	$2,154
Nevada	$1,326
New Hampshire	$1,058
New Jersey	$899
New Mexico	$818
New York	$887
N. Carolina	$1,198
N. Dakota	$1,039
Ohio	$1,072
Oklahoma	$1,251
Oregon	$1,509
Pennsylvania	$938
Rhode Island	$1,271
S. Carolina	$781
S. Dakota	$888
Tennessee	$915
Texas	$1,599
Utah	$1,220
Vermont	$880
Virginia	$1,303
Washington	$1,421
W. Virginia	$1,013
Wisconsin	$1,068
Wyoming	$2,279
Guam	$0
Puerto Rico	$357
Virgin Islands	$639

Data Sources: Quarterly Status Report:
JTPA-Summer Youth Employment and Training PY 84 Grants
(July 1, 1984 to June 30,1985)

(1) Mean costs per unit were calculated by dividing the total program spending on Table VIII. A. by the participants on Table IX. A.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
17.250 SUMMER YOUTH EMPLOYMENT PROGRAM (JTPA)

	Total
United States	$925
Alabama	$887
Alaska	$1,475
Arizona	$1,155
Arkansas	$1,097
California	$1,042
Colorado	$1,233
Connecticut	$805
Delaware	$896
D. C.	$842
Florida	$991
Georgia	$929
Hawaii	$812
Idaho	$1,368
Illinois	$979
Indiana	$1,075
Iowa	$1,045
Kansas	$1,122
Kentucky	$921
Louisiana	$1,004
Maine	$1,080
Maryland	$979
Massachusetts	$955
Michigan	$1,087
Minnesota	$1,003
Mississippi	$944
Missouri	$1,140
Montana	$1,401
Nebraska	$1,234
Nevada	$1,320
New Hampshire	$1,002
New Jersey	$1,104
New Mexico	$903
New York	$800
N. Carolina	$1,022
N. Dakota	$1,038
Ohio	$1,071
Oklahoma	$1,267
Oregon	$1,247
Pennsylvania	$890
Rhode Island	$1,294
S. Carolina	$679
S. Dakota	$952
Tennessee	$856
Texas	$1,061
Utah	$1,436
Vermont	$862
Virginia	$1,264
Washington	$1,389
W. Virginia	$985
Wisconsin	$1,000
Wyoming	$2,232
Guam	$916
Puerto Rico	$291
Virgin Islands	$853

Data Sources: Quarterly Status Report:
JTPA-Summer Youth Employment and Training PY 84 Grants
(July 1, 1984 to June 30,1985)

(1) Mean costs per unit were calculated by dividing the total program spending on Table VIII. B. by participants on Table IX. B.

XI. HISTORICAL DATA (Dollars in thousands)
17.250 SUMMER YOUTH EMPLOYMENT PROGRAM (JTPA)

Federal Fiscal Year		Total Federal Outlays	(1)	Participants	
1985		$776,334		777,600	
1984		$688,360		800,000	
1983		$750,434		789,845	
1982		$679,186		683,198	
1981		$769,035		776,717	
1980		$720,961		855,000	
1979		$659,520		882,700	
1978		$670,265		898,566	
1977		$574,994		907,193	
1976		$474,994		1,131,600	
1975					
1974					
1973					
1972					
1971					
1970					
1969					
1968					
1967					
1966					
1965					
1964					
1963					
1962					
1961					
1960					

Data Sources: Outlays from the Office of Management and Budget.
Participant data from the Employment and Training Administration.

(1) Data displayed for FY 1983 and prior years represent the predessor program, CETA IV-C.

JOB CORPS

I. PROGRAM SUMMARY

Job Corps offers intensive education, vocational training, and related supportive services in group residential settings to economically disadvantaged youths. State and local governments play no direct role in administering the program. Authorized under Title IV of the Job Training Partnership Act, Job Corps is operated out of centers run under contracts between the U.S. Department of Labor and other federal agencies, major corporations, and private nonprofit organizations.

There are currently 105 Job Corps centers located in 42 states, Puerto Rico, and the District of Columbia. Thirty of these centers are located on public lands, staffed by federal employees, and operated by the federal Departments of Agriculture and Interior as civilian conservation centers. The other 75 centers are operated by private profit and nonprofit organizations through contracts awarded on a competitive basis.

Job Corps enrollees receive transportation to the center of assignment, medical care, counseling, basic education, vocational skills training, work experience, and room and board. Enrollees also receive a modest clothing and living allowance of $40 to $100 a month with the specific amount determined by the individual's length of stay in the program and specific achievements. Upon completion of the program, enrollees receive transportation to their homes and job placement assistance.

Job Corps services are also designed to help enrollees accomplish regular school work, prepare for GED examination, satisfy armed forces enlistment requirements, or qualify for other suitable training programs. In FY 1984, about 78 percent of Job Corps graduates entered employment or went on to further education.

Enrollment is limited to economically disadvantaged youths aged 16 to 21. Economically disadvantaged is defined, in general, as persons from households whose income does not exceed the federal poverty guidelines or, if higher, 70 percent of the Lower Living Standard Income Level. The definition also includes youths from families receiving Food Stamps or households who qualify for cash assistance under other public programs, as well as foster children, and some handicapped adults. In comparison with other training and education programs, Job Corps serves a more severely disadvantaged population. Job Corps enrollees tend to be younger and to include higher percentages of high school dropouts and minority youth.

In FY 1985, federal outlays totalled about $593 million. About 40,500 training slots were authorized.

II. ADMINISTRATION

A. Program name: Job Corps.

B. Catalog of Federal Domestic Assistance No.: Not Listed. Budget account number(s): 16-0174-0-1-504-00.12.

C. Current authorizing statute: Job Training Partnership Act, Title IV-B.

D. Location of program regulations in the Code of Federal Regulations: 20 CFR 684.

E. Federal administering agency: Employment and Training Administration, Department of Labor.

F. Primary grantee (if any) receiving program funds to provide benefits: Private nonprofit organizations; private for-profit organizations; and the Departments of Interior and Agriculture.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Funds are not allocated. Centers are run under contract.

I. Role of state and local governments in administering the program.

State and local governments play no role in Job Corps; the program is administered on the federal level.

J. Audit or quality control.

The federal government provides standards for administration, but no error rate is computed.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The Job Corps is a comprehensive program of basic education and vocational education services for low income disadvantaged youth provided in a residential setting. Services are intended to enable economically disadvantaged youths obtain education and employment skills and become self-sufficient.

B. Allocation of program funds among various activities.

Program funds are allocated at the local level at the discretion of program center staff. Center operating costs and enrollee allowances accounted for about 85 percent of all costs in FY 1985. Center operating costs include all staff, enrollee, and support costs incurred on-center and encompass such expenses as food, utilities, medical fees, classroom and some vocational educational material expenses, and contractor profit margin. Jol Corps provides two types of allowances to participants: (1) personal allowances intended to meet the minimal daily needs of participants; (2) a readjustment allowance for participants who stay in the program at least 90 days.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Eligibility is limited to economically disadvantaged youth ages 16 to 21.

B. Income eligibility standards.

Participants must be economically disadvantaged, meaning an individual who:

- Receives, or is a member of a family which receives, cash welfare payments under a federal, state, or local welfare program;
- Has, or is a member of a family which has, received a total family income for the six month period prior to application for the program involved (exclusive of unemployment compensation, child support payments, and welfare payments) which, in relation to family size, was not in excess of the higher of the federal poverty guidelines or 70 percent of the Lower Living Standard Income Level;
- Is receiving Food Stamps pursuant to the Food Stamp Act of 1977;
- Is a foster child on behalf of whom state or local government payments are made;
- In cases permitted by regulations of the Secretary, is an adult handicapped individual whose own income meets the requirements but who is a member of a family whose income does not meet such requirement.

Benefits from unemployment compensation are not counted against the income maximum, nor are child support payments. No other income exclusions are specified, but receipt of cash welfare or Food Stamps provides categorical eligibility.

C. Other eligibility requirements.

Job Corps is directed only to severely disadvantaged youths who have been identified as being able to benefit from programs of intensive educational and supportive services.

If, at the initial medical exam, costly or long-term medical problems are identified, persons may be precluded from program participation.

All male applicants born on or after January 1, 1960, must show proof of compliance with Section 3(a) of the Military Selective Service Act.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

State Employment Security Agencies, other state and local government agencies, private nonprofit groups, private for-profit corporations, and Job Corps Centers recruit and screen applicants.

B. Program benefits or services.

Job Corps pays for transportation to the center, then provides all food, clothing, and basic medical needs in a residential setting. After a period of assessment, participants may be directed into counseling, basic education, vocational skills, training, or work experience. Each participant's progress in meeting goals is monitored closely.

C. Duration of benefits.

Two years is the maximum duration and the average length of stay is about 7.5 months.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Receipt of public assistance categorically establishes that a person is economically disadvantaged.

B. Counting assistance from other programs.

Unemployment compensation, cash and non-cash welfare are not counted as income in determining eligibility.

Services within this program are generally not affected by changes in services of other programs.

C. Overlapping authorities and benefits.

Employment and training programs for the same target population are authorized by Titles II-A, II-B and IV of JTPA, and under WIN and AFDC Title IV-A work activities. Education and training also is provided under Adult Basic Education and Vocational Education programs.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Employment and Productivity

House of Representatives

Committee on Education and Labor
    Subcommittee on Employment Opportunities

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

The Job Corps' original legislation was Title I-A of the Economic Opportunity Act of 1964. The program was transferred from the Office of Economic Opportunity to the Department of Labor in 1969. In 1973 the Job Corps was reauthorized under Title IV-B of the Comprehensive Employment and Training Act. The Job Corps was doubled in size in 1978-1979 to the present 40,500 slots. Currently, the Job Corps is authorized by Title IV, Part B, of the Job Training Partnership Act of 1982.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
17.250 JOB CORPS (JTPA)

		Total	(1)
United States		$580,602	
Alabama		$3,468	
Alaska		$0	
Arizona		$9,731	
Arkansas		$8,880	
California		$38,722	
Colorado		$2,841	
Connecticut		$0	
Delaware		$0	
D. C.		$7,458	
Florida		$11,507	
Georgia		$30,045	
Hawaii		$3,765	
Idaho		$2,841	
Illinois		$8,665	
Indiana		$9,234	
Iowa		$4,262	
Kansas		$0	
Kentucky		$53,911	
Louisiana		$4,972	
Maine		$5,469	
Maryland		$27,104	
Massachusetts		$12,501	
Michigan		$10,015	
Minnesota		$4,461	
Mississippi		$13,922	
Missouri		$18,709	
Montana		$9,546	
Nebraska		$3,182	
Nevada		$8,523	
New Hampshire		$0	
New Jersey		$7,103	
New Mexico		$9,092	
New York		$28,596	
N. Carolina		$14,049	
N. Dakota		$0	
Ohio		$14,987	
Oklahoma		$18,524	
Oregon		$18,581	
Pennsylvania		$19,291	
Rhode Island		$0	
S. Carolina		$2,983	
S. Dakota		$2,955	
Tennessee		$10,285	
Texas		$48,868	
Utah		$24,064	
Vermont		$3,978	
Virginia		$10,995	
Washington		$13,836	
W. Virginia		$9,092	
Wisconsin		$2,912	
Wyoming		$0	
Puerto Rico		$8,879	
Virgin Islands		$0	

Data Sources: Office of Job Corps, ETA - U.S. DOL

(1) Job Corps accounts are not kept on state-by-state basis. It was therefore necessary to estimate state-by-state spending. This was done by prorating the spending total in relation to the state's share of training slots.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
17.250 JOB CORPS (JTPA)

		Training Slots	(1)
United States		40,871	
Alabama		244	
Alaska		0	
Arizona		685	
Arkansas		611	
California		2,585	
Colorado		200	
Connecticut		0	
Delaware		0	
D. C.		525	
Florida		810	
Georgia		2,115	
Hawaii		265	
Idaho		200	
Illinois		610	
Indiana		650	
Iowa		300	
Kansas		0	
Kentucky		3,795	
Louisiana		350	
Maine		385	
Maryland		1,908	
Massachusetts		880	
Michigan		705	
Minnesota		314	
Mississippi		980	
Missouri		1,317	
Montana		872	
Nebraska		224	
Nevada		600	
New Hampshire		0	
New Jersey		500	
New Mexico		640	
New York		2,013	
N. Carolina		989	
N. Dakota		0	
Ohio		1,055	
Oklahoma		1,304	
Oregon		1,308	
Pennsylvania		1,358	
Rhode Island		0	
S. Carolina		210	
S. Dakota		208	
Tennessee		724	
Texas		3,440	
Utah		1,694	
Vermont		280	
Virginia		774	
Washington		974	
W. Virginia		640	
Wisconsin		205	
Wyoming		0	
Puerto Rico		625	
Virgin Islands		0	

Data Sources: Office of Job Corps, ETA - U.S. DOL

(1) May differ from participants in that some slots may not be filled and some may have turnover.

XI. HISTORICAL DATA (In thousands)
17.250 JOB CORPS (JTPA)

Federal Fiscal Year		Total Federal Outlays	
1985		$593,041	
1984		$580,601	
1983		$563,336	
1982		$570,155	
1981		$539,806	
1980		$469,844	
1979		$379,610	
1978		$279,652	
1977		$201,584	
1976		$225,300	(1)
1975		$170,400	
1974		$164,100	
1973		$188,000	
1972		$188,000	
1971		$187,000	
1970		$144,000	
1969		$236,000	
1968		$299,000	
1967		$321,000	
1966		$229,000	
1965		$37,000	
1964			
1963			
1962			
1961			
1960			

Data Sources: Office of Management and Budget.

(1) Includes transitional quarter.

SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

I. PROGRAM SUMMARY

The Senior Community Service Employment Program (SCSEP) provides federal funds to subsidize part-time community service employment opportunities for low income persons age 55 or older. Authorized under Title V of the Older Americans Act, SCSEP is administered by the U.S. Department of Labor, the U.S. Forest Service, state governments, and seven national nonprofit organizations specializing in issues and activities related to aging.

The state and local affiliates of the nonprofit organizations and agencies of local governments are primarily responsible for making eligibility determinations, arranging the work assignments, and carrying out the day-to-day operations of the program.

In FY 1986, about 100,000 older persons were employed in some 63,800 authorized job slots under the auspices of SCSEP at a total federal cost of about $321 million. State and local outlays were about $36 million; SCSEP sponsors are required to contribute at least 10 percent of the program costs either in cash or in-kind. The federal funds are allocated to states on the basis of a formula that takes into account the number of persons age 55 or older living in a state and the state's per capita income. Prior to state allocations, however, a portion of the federal funds is reserved for national nonprofit organizations in amounts large enough to maintain their 1978 level of SCSEP operations.

Eligibility is limited to persons age 55 or older whose income does not exceed 125 percent of the federal poverty guidelines. Reenrollees have an additional $500 of income allowed over the amount allowed for initial enrollees. Annual physical examinations are required, in part, to help determine who is capable of serving without detriment to themselves or others.

The SCSEP workers transport the elderly, assist with household chores, and assist in libraries, schools, and nutrition programs. The SCSEP participants may not be employed in political or sectarian activities, in jobs ordinarily performed in the private sector, or in jobs that displace workers or impair existing contracts for service. In return for their service, SCSEP participants are paid at a rate at least equal to the federal minimum wage. Any fringe benefits are at the discretion of the sponsoring grantee.

Program participants are encouraged to seek unsubsidized employment after a period of service under SCSEP. During 1984-1985, about 20 percent of SCSEP enrollees made such a transition to unsubsidized jobs. On average, participation in SCSEP lasts between 21 and 33 months.

II. ADMINISTRATION

A. Program name: Senior Community Service Employment Program.

B. Catalog of Federal Domestic Assistance No.: 17.235
Budget account number(s): 16-0175-0-1-504.

C. Current authorizing statute: Title V of the Older Americans Act.

D. Location of program regulations in the Code of Federal Regulations: 20 CFR 674.

E. Federal administering agency: Department of Labor.

F. Primary grantee (if any) receiving program funds to provide benefits: States; insular areas; private nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: States; counties; cities; private nonprofit organizations.

H. Allocation of federal funds.

SCSEP sponsors are funded on a formula which takes into account the number of persons aged 55 and over and per capita income in each state.

A 10 percent match is required of grantees in cash or in-kind.

I. Role of state and local governments in administering the program.

In each state the Governor is asked to designate a state agency to administer the SCSEP program. In most states, the Governors have designated the State Office on Aging or the State Employment Service, while in other states, the Governors have named a national organization to administer the state's SCSEP program.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The objective of the program is to provide part-time community service employment opportunities for low income individuals 55 years of age and older. Further, the regulations establish as a goal the placement of 20 percent of the program participants into unsubsidized employment opportunities.

B. Allocation of program funds among activities.

There are only three budgetary areas in which funds can be spent by grantees: no less than 78 percent of the grant funds must be directed to enrollee wages and fringe benefits; a maximum of 12 percent may be used for administration in FY 1987; and the remainder must be used to cover enrollee physical examinations, training, supplies, safety equipment, and other related items.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Eligibility is determined for individuals age 55 or older.

B. Income eligibility standards.

The annual income level of individuals may be no higher than 125 percent of the federal poverty guidelines.

C. Other eligibility requirements.

None.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES.

A. Program intake processes.

Application for the program is voluntary through local delivery agencies, often Area Offices on Aging or State Job Service Offices.

B. Program benefits or services.

Each participant receives a physical examination once each year and prior to enrollment or reenrollment into the program. Additionally, each participant is paid a wage (and fringe benefits) which is either at the federal minimum hourly level or the prevailing rate, whichever is higher. Participants work 20 to 25 hours per week.

C. Duration of benefits.

Average participation is between 21 and 33 months. There is no statutory limitation on the length of enrollment in the program.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

The program has no provisions for categorical or automatic eligibility.

B. Counting assistance from other programs.

Cash income from all sources (except JTPA stipends) is counted in determining eligibility. Non-cash benefits are not.

C. Overlapping authorities and benefits.

Programs under Title II-A of JTPA, and Foster Grandparents and Senior Companions programs under ACTION also provide employment and training opportunities to low income seniors.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Aging

House of Representatives

Committee on Education and Labor
    Subcommittee on Human Resources

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

Senate

Select Committee on Aging

House of Representatives

Select Committee on Aging

D. Federal legislation.

This program was preceded by Operation Mainstream in the mid-1960s.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
17.235 SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

		Total	
United States		$326,000	
Alabama		$5,978	
Alaska		$1,401	
Arizona		$3,576	
Arkansas		$5,833	
California		$25,870	
Colorado		$2,975	
Connecticut		$3,642	
Delaware		$1,401	
D. C.		$1,831	
Florida		$17,738	
Georgia		$8,936	
Hawaii		$1,401	
Idaho		$1,519	
Illinois		$13,223	
Indiana		$8,525	
Iowa		$4,296	
Kansas		$3,278	
Kentucky		$6,130	
Louisiana		$5,352	
Maine		$2,014	
Maryland		$4,415	
Massachusetts		$7,608	
Michigan		$10,803	
Minnesota		$7,608	
Mississippi		$4,061	
Missouri		$8,074	
Montana		$1,979	
Nebraska		$2,511	
Nevada		$1,519	
New Hampshire		$1,348	
New Jersey		$9,544	
New Mexico		$1,613	
New York		$23,109	
N. Carolina		$8,225	
N. Dakota		$1,907	
Ohio		$14,331	
Oklahoma		$4,989	
Oregon		$4,560	
Pennsylvania		$18,287	
Rhode Island		$1,898	
S. Carolina		$4,156	
S. Dakota		$2,194	
Tennessee		$6,659	
Texas		$16,646	
Utah		$1,995	
Vermont		$1,749	
Virginia		$6,724	
Washington		$4,560	
W. Virginia		$3,675	
Wisconsin		$8,201	
Wyoming		$1,519	
Guam		$703	
Puerto Rico		$3,860	
Virgin Islands		$703	

Data Sources: Final Allocations-After Governors' Turnover
Total 84-85 Funding

IX. A. FY 85 RECIPIENT CHARACTERISTICS
17.235 SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

	All Persons	(1)
United States	66,887	(2)
Alabama	1,238	
Alaska	171	
Arizona	614	
Arkansas	1,268	
California	5,109	
Colorado	603	
Connecticut	613	
Delaware	257	
D. C.	412	
Florida	5,020	
Georgia	1,425	
Hawaii	311	
Idaho	352	
Illinois	2,591	
Indiana	1,737	
Iowa	842	
Kansas	680	
Kentucky	1,304	
Louisiana	1,077	
Maine	408	
Maryland	848	
Massachusetts	1,529	
Michigan	2,192	
Minnesota	1,582	
Mississippi	860	
Missouri	1,658	
Montana	407	
Nebraska	475	
Nevada	299	
New Hampshire	236	
New Jersey	1,943	
New Mexico	354	
New York	4,486	
N. Carolina	1,726	
N. Dakota	382	
Ohio	2,823	
Oklahoma	954	
Oregon	908	
Pennsylvania	3,556	
Rhode Island	327	
S. Carolina	825	
S. Dakota	477	
Tennessee	1,228	
Texas	3,373	
Utah	480	
Vermont	363	
Virginia	1,413	
Washington	913	
W. Virginia	744	
Wisconsin	1,617	
Wyoming	304	
Guam	131	
Puerto Rico	797	
Virgin Islands	133	

Data Sources: Senior Community Service Employment Program
Quarterly Status Report: Quarter Ending 6/30/85

(1) Based on end of year program count. All are aged 55 or older.

(2) For SCSEP purposes, an authorized position is the cost of one SCSEP position for one year. It is an average cost which is used for planning and administrative purposes. During the grant period, the authorized positions become vacant due to illnesses, transition to unsubsidized jobs, death, and other factors. Consequently, unspent funds accumulate which are then used to support, for a short period, both the authorized position and additional jobs (more than one enrollee occupies the same position). These additional positions are considered temporary but are reflected in sponsor reports. Consequently, although the authorized position level may be 63,783, the enrollment due to temporaries might be 66,887.

XI. HISTORICAL DATA (Dollars in thousands)
17.235 SENIOR COMMUNITY SERVICE EMPLOYMENT PROGRAM

Federal Fiscal Year	Total Federal Outlays	Total State-Local Spending (1)	Authorized Positions	(2) Participants	Federal Staff
1985	$320,343	$35,594	63,783	100,000	8
1984	$321,348	$35,705	62,080	98,350	8
1983	$274,215	$30,468	62,502	99,490	7
1982	$268,984	$29,885	54,216	75,970	7
1981	$262,750	$29,194	54,216	77,160	7
1980	$234,862	$26,098	52,250	77,390	
1979	$207,832	$23,092			
1978	$134,333	$14,928			
1977	$72,102	$8,011			
1976	$46,469	$5,183			
1975	$8,607	$958			
1974					
1973					
1972					
1971					
1970					
1969					
1968					
1967					
1966					
1965					
1964					
1963					
1962					
1961					
1960					

Data Sources: Employment and Training Administration.

(1) Estimated based on required state match.
(2) Approximates mean monthly count.

WORK INCENTIVE PROGRAM AND DEMONSTRATIONS

I. PROGRAM SUMMARY

The Work Incentive Program (WIN) and Work Incentive Program Demonstrations have the statutory objective of utilizing all available manpower services, including those authorized under other provisions of law, to increase the employment and economic independence of applicants for and recipients of AFDC. In 1981, states were given the option to convert their WIN programs to WIN Demonstrations and 26 states did so, in significant part, because WIN Demonstrations provides states greater flexibility in designing programs, targeting population groups, and setting the terms for participation.

Able-bodied AFDC recipients age 16 or older are required to participate in the state's WIN or WIN Demonstration program. There are exemptions, such as single-parent mothers with a child under the age of six. Other persons may participate on a voluntary basis. Within certain limitations, individuals required to register must take part in activities as assigned and must seek and accept an appropriate job. Failure to meet these requirements without good cause can result in a suspension or reduction in AFDC benefits.

In FY 1985, 1.2 million individuals, or about one-third of adult AFDC recipients were registered under these two work programs. The combined total cost of the two programs in FY 1985 was about $292 million. A state's share of the cost must be at least 10 percent and may include in-kind contributions to meet the matching requirement.

The services provided typically include: setting an employment goal; arranging for the training, work experience, or vocational rehabilitation needed to reach that goal; providing social services, such as child care and assistance with job referrals and searches. In some instances, individuals may also receive allowances or incentive payments to cover participation expenses.

The statutory requirement that WIN and WIN Demonstration programs utilize all available manpower services means funding for work-related programs may be shared. These other work-related programs include the Job Training Partnership Act, the Social Services Block Grant, and such optional AFDC programs as the Community Work Experience Program, the Grant Diversion or Work Supplementation Program, and the Employment Search Program.

II. ADMINISTRATION

A. Program name: Work Incentive Program and Demonstrations.

B. Catalog of Federal Domestic Assistance No.: 13.646
Budget account number(s): 75-1639-0-1-504.

C. Current authorizing statute: 42 U.S.C. 602(a)(19); 42 U.S.C. 630-645.

D. Location of program regulations in the Code of Federal Regulations: Title 29 CFR, Part 56, and Title 45 CFR, Part 224.

For WIN Demonstration: 45 CFR 205.80 (covers reporting only).

E. Federal administering agency: For WIN: Employment and Training Administration, Department of Labor; and Family Support Adminstration, Department of Health and Human Services.

For WIN Demonstration: Office of Family Assistance, Family Support Administration, Department of Health and Human Services.

F. Primary grantee (if any) receiving program funds to provide benefits: States; insular areas.

G. Subgrantee (if any) receiving program funds to provide benefits: Tribal organizations; private nonprofit organizations, private for-profit organization; other public agencies.

H. Allocation of federal funds.

For the WIN Demonstration program, state allocations are based upon the state's share of the total WIN allocation in 1981.

WIN funds are appropriated annually and allocated to states under a formula with three major elements:

The MANDATORY element guarantees each state a minimum amount by allocating one-half of the total funds for employment and training based on the number of AFDC registrants in the state.

The HOLD HARMLESS (stop or gain) element of the formula assures that no state suffers severe disruption through sharp funding decreases, thus assuring a degree of program continuity.

The DISCRETIONARY element of the formula is based primarily on program performance as measured by welfare grant reductions and wages generated by employed WIN participants. Approximately 20 percent of WIN funds are distributed on this performance basis, taking into account not only actual grant reductions and wages, but also the states' potential in these two areas.

States' federal allocation may be used to meet not more than 90 percent of the program costs. A non-federal share of at least 10 percent is necessary for each state. This 10 percent may include in-kind contributions.

I. Role of state and local governments in administering the program.

At the state and local level, responsibility for operation of WIN is shared by the state employment service and state welfare agency. State administrators of these agencies work with a state WIN Coordination Committee responsible for the oversight of policy development, program planning and direction, reporting, monitoring, evaluation, and agency coordination.

The state welfare agency is solely responsible for administering WIN Demonstration programs. Under WIN Demonstration, states have greater flexibility in designing their programs, selecting program components, targeting population groups, and determining the terms of participation.

J. Audit or quality control.

While there are no federal standards specifically directed at administrative efficiency, funding for WIN is based in part on program performance (measured by welfare grant reductions for employed WIN participants).

WIN Demonstration provides states more flexibility in the design of their programs, with two federal evaluations (a one-year and a three-year evaluation) constituting the primary federal role measuring efficiency (i.e., comparing program performance of that state's WIN program to its WIN Demonstration program).

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The statutory objective of both WIN and WIN Demonstration is to utilize all available manpower services, including those authorized under other provisions of law, to provide individuals receiving Aid to Families with Dependent Children (AFDC) incentives, opportunities, and necessary services for: (1) the employment of such individuals in the regular economy; (2) the training of such individuals for work in the regular economy; (3) the participation of such individuals in public service employment.

For WIN Demonstration, the additional statutory objective is to demonstrate the effectiveness of single-agency administration, by the state welfare agency, of work-related objectives under the Social Security Act.

B. Allocation of program funds among various activities.

In a regular WIN state, an Employment and Training Office and a Separate Administrative Unit of the welfare agency are established to administer the program under the general direction of the state WIN Coordination Committee. Public or private agencies may, through agreements, carry out activities and programs as provided by the state or local agencies responsible for WIN employment services. Program activity funding is determined within each state and spelled out in an annual state plan. States have flexibility in determining the "program mix." No federal allocation among activities is imposed.

In a WIN Demonstration state, the allocation of funds among various activities is determined by the state, and, in some cases, the county welfare agency. States have wide flexibility in developing activities and programs under WIN Demonstration. The activities are described in the state's WIN Demonstration plan submitted by the state for the Secretary's approval. No federal requirements govern the allocation of funds among activities.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

The unit of eligibility is an individual who is applying for or receiving AFDC. Unlike other programs, registration for WIN or WIN Demonstration is required as a condition of receiving another means-tested program, AFDC. WIN is unique in the sense that discussion of eligibility requirements includes descriptions of factors which make persons mandatory WIN participants or exempt from participation.

All AFDC applicants and recipients are required to register for WIN or WIN Demonstration unless exempted. For purposes of WIN/WIN Demonstration provisions, AFDC applicants and recipients include "essential persons." Essential persons are individuals living with the family and considered by the state and the family to be essential for the family's welfare. Those exempted from registration include: children under age 16 and those up to age 19 if they attend school full-time; recipients employed at least 30 hours per week; individuals who are ill, disabled, or elderly; individuals living too far from a WIN project to participate; people caring for a sick or disabled member of the household; women in the last trimester of pregnancy; individuals personally providing care to children under age 6; participants in a Work

Supplementation program; and adults who live in the same household as another adult who is registered. Those who are required to register may also be required to participate in WIN programs. (Several WIN Demonstration states have received waivers to set a younger age as the cutoff for an exemption on the basis of responsibility for care of a young child.) In addition, participation in a IV-A work program may satisfy WIN or WIN Demonstration participation requirements, depending upon the state's WIN or WIN Demonstration plan.

Persons not required to register may register voluntarily and participate. Volunteers can leave WIN at any time without penalty (i.e., without partial or total loss of their welfare grant).

B. Income eligibility standards.

Not applicable. Eligibility is based on application for or receipt of AFDC benefits.

C. Other eligibility requirements.

The participant must have applied for, or be receiving, AFDC benefits. To obtain WIN or WIN Demonstration services and WIN incentive payments, the AFDC applicant or recipient must register for the program.

In WIN, job search activities, available in almost every WIN state, provide services to registrants who are ready to enter employment. If a job is offered that is consistent with the participant's employability plan, he or she must accept it.

Individuals required to register for WIN must take part in program activities as assigned and seek and accept an appropriate job. Ordinarily, if an AFDC recipient refuses to participate or otherwise fails to meet these requirements without good cause, that individual's needs will not be considered in determining the family's AFDC benefits (for three payment months for the first such failure and for six months for any subsequent failure). However, if the recipient is the principal earner in an AFDC-Unemployed Parent case, or is the only dependent child, the entire family loses its AFDC benefits for these time periods. A hearing and appeals system is established to adjudicate disputes on these issues.

Under WIN Demonstration, states have greater discretion in deciding the circumstances under which registrants will be expected to accept employment and in deciding what will constitute good cause. WIN Demonstration states need not follow the "appropriate work and training criteria" established under regulation for regular WIN states.

States operating WIN Demonstrations have great flexibility in deciding the specific participation requirements of program registrants. WIN Demonstrations make extensive use of different kinds of job search activities. Many WIN Demonstrations also make extensive use of the work program options available under Title IV-A of the Social Security Act: Community Work Experience, Employment Search, and Work Supplementation (or Grant Diversion). Other activities which may be required include education, training, and on-the-job training.

Failure to participate without good cause, voluntarily quitting work, or, under some circumstances, being dismissed from a job, may disqualify an individual from participation in WIN or WIN Demonstration for a period of time, even in cases where individuals were initially exempt from WIN program requirements. Individuals required to register for WIN would be ineligible to continue receiving AFDC benefits, as described above.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake process.

In a state operating a regular WIN Program, AFDC applicants and recipients who are identified as mandatory for the program are referred to WIN by their AFDC eligibility workers for registration. There, they are processed by the staffs of both the WIN employment and the welfare agency. At registration, individuals are offered job referral assistance.

In regular WIN, appraisal may take place at registration or at a later date. During appraisal, the WIN agency and the welfare agency staff begin to jointly assess the registrant's employability potential. An initial "Employability Plan" is developed for each WIN registrant. This plan sets forth his or her employment goal, training, employment and social service needs, and the timetable for meeting those needs. When necessary social services are arranged or provided, only then may the welfare agency certify that the registrant is ready for employment or training.

WIN registrants who are AFDC applicants can be required to appear for an initial appraisal but cannot be required to participate in WIN activities, such as job search, until they become recipients. (If a state has elected to have applicant job search under Title IV-A, an individual can be required to do job search at this step.) Registrants who are AFDC recipients must appear for an appraisal, and, when certified, they must accept assignment to employment-related activities or appropriate work or training, including possible referrals to training programs operated under the Community Work Experience Program or the Job Training

Partnership Act. Most recipients, unless they have immediate employment potential, are placed in an "unassigned pool" to be dealt with at some future time. Those registrants who, without good cause, fail to participate may be excluded from WIN and their AFDC assistance payment may be affected.

WIN Demonstration is designed and operated by state welfare agencies, and although participation requirements are the same as for the regular WIN program, activities are tailored to meet the needs of their registrants. Thus, these activities and procedures vary from state to state. In WIN Demonstration, the AFDC worker will convey and act on the individual's obligation to work toward self-sufficiency and to treat AFDC as a temporary safety net. Employment search is usually emphasized first, with a set of other activities available if a job is not found. Moreover, in WIN Demonstration states, applicants may be required to participate in activities and may be denied AFDC benefits if they fail to meet participation requirements.

As of March 31, 1985, 1,226,832 individuals were registered. This figure represents 33 percent of the AFDC caseload and 11 percent of the number of individuals receiving AFDC. Of course, most of the children receiving AFDC benefits are not required to register for WIN or WIN Demonstration services.

B. Program benefits or services.

Under both WIN and WIN Demonstration, services are provided to recipients of, or applicants for, AFDC. Under conventional WIN, individuals assigned to a job search component receive an allowance for actual necessary participation expenses. An individual assigned to a work experience component, in which no salary is paid, receives an allowance for actual necessary related expenses. In regular WIN, individuals also may receive an incentive payment at a rate not to exceed $30 a month. Individuals placed in employment, on-the-job training, or public service employment activities are authorized training-related expenses for not in excess of two WIN pay periods, or until a first pay check is received. Benefits also include employment-related support services such as child care, family planning, counseling, medical and health-related care services, and selected vocational rehabilitation services.

Benefits under the WIN Demonstration program are similar, although WIN Demonstration states have greater discretion in setting incentive payments and disallowances for individuals making the transition to self-sufficiency.

For the regular WIN program, federal rules require that state WIN program staff and a WIN registrant jointly establish an employability plan based upon the registrant's training, work experience, and other related factors. This plan describes the nature of employment services and training the individual needs. A Separate Administrative Unit of the state welfare agency then determines what, if any, social services will be needed for the registrants in order to participate in these activities. Once an individual is registered, the decision as to whether to refer an individual to employment or to a training component rests with the WIN sponsor.

In WIN Demonstration, the state welfare (IV-A) agency makes assignments and referrals to various activities and services. No federal procedures govern these decisions.

C. Duration of benefits.

Regular WIN program recipients are subject to the following limitations of program participation:

(1) Institutional training shall average no more than six months with a maximum of one year for any individual;

(2) Participation in the work experience component shall not exceed 13 weeks for any individual;

(3) Participation in employment search may not be required for more than eight weeks in any calendar year for any individual recipient;

(4) Necessary services generally continue for a period of 30 days after the start of unsubsidized employment. However, services may continue for a maximum of 90 days under exceptional circumstances.

Under WIN Demonstration, any specific limits on program participation are established by the state; there are no federally imposed limits.

However, if a state includes a Work Supplementation Program as a component of its WIN Demonstration, participation in that component is limited to nine months. Also, if a IV-A Employment Search program is a component, job search would be limited to an eight-week period starting at the time of application and eight weeks a year thereafter.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Applicants and recipients of AFDC who are age 16 or older are required to participate in WIN or WIN Demonstration.

B. Counting assistance from other programs.

Not applicable. Eligibility and participation requirements are based on receipt of, or application for, AFDC.

C. Overlapping authorities and benefits.

There are several federally supported programs such as the Job Training Partnership Act, the Social Services Block Grant, and IV-A work programs under which states provide related benefits to meet the needs of WIN registrants. By statute, the WIN program is to take advantage of all available manpower services, including those authorized under other provisions of law, for AFDC recipients and must refer appropriate individuals to JTPA.

Work programs funded under Title IV-A of the Social Security Act (the Act), the Job Training Partnership Act (particulary Title II-A), and the Social Services Block Grant under Title XX of the Act provide some of the same services for AFDC applicants and recipients as WIN.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Finance
    Subcommittee on Social Security and Income Maintenance Programs

House of Representatives

Committee on Education and Labor
    Subcommittee on Employment Opportunities

House Committee on Ways and Means
    Subcommittee on Public Assistance and Unemployment Compensation

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the last two years.

No other committees have held hearings on WIN or WIN Demonstration programs.

D. Federal legislation.

Pub. L. 90-248, Amendments to Social Security Act, Title IV, Part C. Authorized the Work Incentive Program.

Pub. L. 92-178, Revenue Act of 1971, Title VI. Authorized the WIN tax credit.

Pub. L. 92-223, Amendment to Social Security Act, Title IV, Parts A and C. Required changes in WIN's emphasis from institutional training to prompt entry to employment; mandatory registration.

Pub. L. 94-12, Tax Reduction Act of 1975. Authorized the Targeted Jobs Tax Credit.

Pub. L. 96-272, Adoption Assistance and Welfare Act of 1980. Limited time period in which states can file claims for 90 percent federal funding to two years.

Pub. L. 96-265, Social Security Disability Amendments of 1980. Added employment related activities to manpower services. Employment Search not to exceed eight weeks in a year. Authorized fixed sanctions for failure to participate.

Pub. L. 97-35, Omnibus Budget Reconciliation Act of 1981. Established Community Work Experience and Work Supplementation Programs. Provided for three-year WIN Demonstration Programs.

Pub. L. 97-248, Tax Equity and Fiscal Responsibility Act of 1982. Extended targeted tax credits. Established Employment Search Programs for AFDC applicants and recipients. Extended WIN Demonstration application date by two years.

Pub. L. 97-300, Job Training Partnership Act (JTPA). Authorized intensive group job search for AFDC recipients. Required WIN to coordinate activities with JTPA. Established welfare reductions as a major goal of JTPA and provided for a proportional level of services for WIN registrants under Title II-A.

Pub. L. 98-396, Supplemental Appropriations Bill. Extended WIN Demonstration authority until June 30, 1987, and extended the application deadline one year.

Pub. L. 98-369, Deficit Reduction Act of 1984. Exempted women in the third trimester of pregnancy from WIN registration. Exempted any individual employed under a work supplementation from WIN registration. Modified work supplementation to allow grant diversion to private employers..

E. Major federal implementing regulations and regulatory changes.

Regulations at 29 CFR Part 56 and 45 CFR Part 224 were developed and updated to include the legislative changes included in the legislative history, as well as to implement program policy and procedures in accordance with the legislation and its changes.

F. Innovative practices at the federal, state, or local levels to achieve the program's objectives.

Some of the innovative practices used in the regular WIN program since its inception are:

- Co-location and integration of labor and welfare staff to enhance communication or coordination for this joint agency program;
- Employer tax credits for hiring participants;
- Instituting "Job Club" and innovative "Job Search" techniques on a large scale;
- Coordination of resources at the local level in order to address the multiple problems that confront most AFDC recipients;
- Issuing vouchers for training and on-the-job training directly to participants who then negotiate their own training or job.

The creation of WIN Demonstration in the Omnibus Budget Reconciliation Act of 1981 (OBRA) provided increased opportunity for state flexibility and innovation. Independent evaluation of WIN Demonstration programs, along with evaluations of parallel programs authorized under Title IV-A of the Social Security Act, have provided much of the reliable evidence available about innovative state work programs. A multi-state evaluation of WIN Demonstrations has shown that programs of job search and work experience have significant and persistent impact upon participants' work experience and welfare dependency, and are cost effective from the tax-payers' point of view.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands) (1)
13.646 WORK INCENTIVE PROGRAM AND DEMONSTRATIONS

	Federal	(2)	State-local	Total	
United States	$260,123		$31,532	$291,655	
Alabama	$2,568		$285	$2,854	
Alaska	$1,097		$136	$1,233	
Arizona	$1,806		$201	$2,007	(3)
Arkansas	$1,481		$165	$1,646	(3)
California	$38,469		$4,274	$42,743	(3)
Colorado	$4,837		$544	$5,381	
Connecticut	$4,141		$1,018	$5,159	
Delaware	$873		$97	$970	(3)
D. C.	$2,731		$313	$3,044	
Florida	$3,879		$431	$4,311	(3)
Georgia	$4,590		$510	$5,100	(3)
Hawaii	$1,251		$139	$1,390	
Idaho	$2,350		$261	$2,611	
Illinois	$12,691		$1,410	$14,101	(3)
Indiana	$3,568		$607	$4,176	(3)
Iowa	$2,771		$308	$3,079	(3)
Kansas	$1,902		$436	$2,337	
Kentucky	$2,606		$508	$3,113	
Louisiana	$1,948		$221	$2,169	
Maine	$1,444		$161	$1,605	(3)
Maryland	$4,857		$540	$5,396	(3)
Massachusetts	$8,464		$940	$9,404	(3)
Michigan	$18,504		$2,056	$20,560	(3)
Minnesota	$5,277		$1,018	$6,294	
Mississippi	$1,871		$207	$2,078	
Missouri	$3,719		$569	$4,289	
Montana	$994		$146	$1,140	
Nebraska	$887		$99	$986	(3)
Nevada	$904		$100	$1,004	
New Hampshire	$594		$66	$660	
New Jersey	$9,809		$1,090	$10,899	(3)
New Mexico	$1,113		$178	$1,291	
New York	$22,105		$2,456	$24,561	(3)
N. Carolina	$4,690		$521	$5,211	
N. Dakota	$718		$148	$866	
Ohio	$11,913		$1,324	$13,236	
Oklahoma	$1,545		$172	$1,717	(3)
Oregon	$7,138		$793	$7,932	(3)
Pennsylvania	$11,655		$1,295	$12,950	(3)
Rhode Island	$1,181		$140	$1,321	
S. Carolina	$2,314		$257	$2,571	
S. Dakota	$1,101		$122	$1,224	(3)
Tennessee	$2,634		$293	$2,926	
Texas	$5,308		$590	$5,898	(3)
Utah	$2,872		$533	$3,405	
Vermont	$2,028		$232	$2,260	
Virginia	$3,681		$409	$4,090	(3)
Washington	$9,039		$1,157	$10,196	
W. Virginia	$3,534		$393	$3,926	(3)
Wisconsin	$10,111		$1,123	$11,235	(3)
Wyoming	$515		$241	$756	
Guam	$294		$33	$327	
Puerto Rico	$1,462		$162	$1,624	
Virgin Islands	$290		$104	$395	

Data Sources: WIN Demonstration: Grant Award documents issued to the States.
WIN: Grant Award documents (SAU) issued to the States and SESACAS (ETU) reports.

(1) Data represent grant awards to states, and are not consistent with Table XI.
(2) Federal funds are provided to the states as a grant award for assisting AFDC applicants and recipients in finding employment through WIN or WIN-Demonstration programs. Funds are payable under Sections 403(d) and 431 of the Social Security Act for WIN, and under Section 445 of the Social Security Act for WIN Demonstration.
(3) Indicates states which administered a WIN-Demonstration for part or all of the fiscal year.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands) (1)
13.646 WORK INCENTIVE PROGRAMS AND DEMONSTATIONS

	Federal	(2)	State-local	Total	
United States	$277,329		$37,687	$315,017	
Alabama	$2,654		$299	$2,953	
Alaska	$1,051		$117	$1,168	
Arizona	$1,831		$203	$2,035	(3)
Arkansas	$1,502		$167	$1,669	(3)
California	$41,304		$4,889	$46,193	
Colorado	$5,366		$731	$6,097	
Connecticut	$3,879		$980	$4,859	
Delaware	$885		$98	$983	(3)
D. C.	$2,825		$306	$3,131	
Florida	$3,933		$2,042	$5,975	(3)
Georgia	$4,277		$410	$4,688	
Hawaii	$826		$111	$937	
Idaho	$2,654		$509	$3,163	
Illinois	$12,868		$1,430	$14,297	(3)
Indiana	$2,984		$332	$3,315	
Iowa	$2,809		$312	$3,122	(3)
Kansas	$2,173		$353	$2,526	
Kentucky	$2,783		($318)	$2,465	
Louisiana	$2,107		$329	$2,436	
Maine	$1,465		$163	$1,627	(3)
Maryland	$4,924		$547	$5,471	(3)
Massachusetts	$8,582		$954	$9,535	(3)
Michigan	$18,761		$2,085	$20,846	(3)
Minnesota	$5,644		$3,630	$9,274	
Mississippi	$2,167		$1,413	$3,579	
Missouri	$4,166		$463	$4,628	
Montana	$1,090		$285	$1,375	
Nebraska	$900		$100	$1,000	(3)
Nevada	$662		$74	$735	
New Hampshire	$536		$65	$601	
New Jersey	$9,945		$1,105	$11,050	(3)
New Mexico	$1,467		$183	$1,649	
New York	$25,014		$4,406	$29,420	
N. Carolina	$4,448		($557)	$3,891	
N. Dakota	$731		$81	$813	
Ohio	$15,496		$1,760	$17,256	
Oklahoma	$1,567		$174	$1,741	(3)
Oregon	$7,238		$804	$8,042	(3)
Pennsylvania	$11,817		$1,313	$13,130	(3)
Rhode Island	$1,605		$234	$1,838	
S. Carolina	$2,349		$259	$2,608	
S. Dakota	$1,117		$124	$1,241	(3)
Tennessee	$2,934		$355	$3,289	
Texas	$5,382		$598	$5,980	(3)
Utah	$2,901		($385)	$2,516	
Vermont	$1,998		$222	$2,220	
Virginia	$3,732		$415	$4,147	(3)
Washington	$12,890		$1,416	$14,306	
W. Virginia	$3,583		$398	$3,981	(3)
Wisconsin	$10,252		$1,139	$11,391	(3)
Wyoming	$523		$219	$742	
Guam	$252		$25	$278	
Puerto Rico	$2,154		$239	$2,394	
Virgin Islands	$328		$84	$412	

Data Sources: WIN Demonstration: Grant Award documents issued to the States.
WIN: Grant Award documents (SAU) issued to the States and SESACAS (ETU) reports.

(1) Data represent grant awards to states, and are not consistent with Table XI.
(2) Federal funds are provided to the states as a grant award for assisting AFDC applicants and recipients in finding employment through WIN or WIN-Demonstration programs. Funds are payable under Sections 403(d) and 431 of the Social Security Act for WIN, and under Section 445 of the Social
(3) Indicates states which administered a WIN-Demonstration program for part or all of the fiscal year.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
13.646 WORK INCENTIVE PROGRAM AND DEMONSTRATIONS

	Registrants	(1)
United States		(2)
Alabama	14,794	
Alaska	977	
Arizona	4,853	(3)
Arkansas	4,715	(3)
California		(3)
Colorado	13,713	
Connecticut	20,593	
Delaware	3,299	(3)
D. C.	17,412	
Florida	16,840	(3)
Georgia		(3)
Hawaii	5,562	
Idaho	2,181	
Illinois	89,223	(3)
Indiana	23,210	(3)
Iowa		(3)
Kansas	8,407	
Kentucky	20,829	
Louisiana	14,347	
Maine	3,553	(3)
Maryland	31,284	(3)
Massachusetts	59,382	(3)
Michigan	229,939	(3)
Minnesota	25,310	
Mississippi	6,209	
Missouri	15,813	
Montana	2,389	
Nebraska	4,149	(3)
Nevada	1,690	
New Hampshire	1,272	
New Jersey	92,970	(3)
New Mexico	5,327	
New York	151,020	(3)
N. Carolina	23,487	
N. Dakota	2,247	
Ohio	129,139	
Oklahoma	21,711	(3)
Oregon	10,906	(3)
Pennsylvania		(3)
Rhode Island	7,773	
S. Carolina	10,657	
S. Dakota	1,985	(3)
Tennessee	31,848	
Texas	34,074	(3)
Utah	2,914	
Vermont	3,098	
Virginia		(3)
Washington	16,273	
W. Virginia	21,532	(3)
Wisconsin		(3)
Wyoming	1,970	
Guam	53	
Puerto Rico	17,392	
Virgin Islands	511	

Data Sources: WIN-Demonstration: SSA-4769 reports from States.
WIN: Department of Labor, WIN Program Management Information Report (ESARS), table D-1.

(1) Units are based on average number of on-hand registrants. (This does not represent the number of participants.) If a state made a transition from WIN to Win-Demonstration, only the WIN-Demonstration registrant count was used to determine the unit cost. Some states did not provide a registrant count during this transition period. For these states, no unit cost was calculated.
(2) Not calculable because several states could not report registrant data.
(3) Indicates states which administered a WIN-Demonstration program for part or all of the fiscal year. Some WIN-Demonstration states were unable to provide registrant counts.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
13.646 WORK INCENTIVE PROGRAM AND DEMONSTRATIONS

	Registrants	(1)
United States		(2)
Alabama	15,956	
Alaska	918	
Arizona	5,475	(3)
Arkansas	3,713	(3)
California	346,575	
Colorado	15,889	
Connecticut	21,501	
Delaware	3,402	(3)
D. C.	14,531	
Florida	22,931	(3)
Georgia	16,955	
Hawaii	7,004	
Idaho	2,600	
Illinois	93,975	(3)
Indiana	23,311	
Iowa		(3)
Kansas	7,796	
Kentucky	19,478	
Louisiana	12,999	
Maine	3,459	(3)
Maryland	26,643	(3)
Massachusetts	24,306	(3)
Michigan	239,593	(3)
Minnesota	23,560	
Mississippi	5,015	
Missouri	16,200	
Montana	2,195	
Nebraska	3,146	(3)
Nevada	1,404	
New Hampshire	1,220	
New Jersey	93,860	(3)
New Mexico	5,189	
New York	115,283	
N. Carolina	14,568	
N. Dakota	1,869	
Ohio	131,838	
Oklahoma	21,510	(3)
Oregon	10,649	(3)
Pennsylvania		(3)
Rhode Island	8,860	
S. Carolina	10,643	
S. Dakota		(3)
Tennessee	30,385	
Texas	31,052	(3)
Utah	4,051	
Vermont	3,318	
Virginia		(3)
Washington	18,112	
W. Virginia	18,694	(3)
Wisconsin		(3)
Wyoming	1,940	
Guam	60	
Puerto Rico	17,500	
Virgin Islands	518	

Data Sources: WIN-Demonstration: SSA-4769 reports from States.
WIN: Department of Labor, WIN Program Management Information Report (ESARS), Table D-1.

(1) Units are based on average number of on-hand registrants. (This does not represent the number of participants.) If a dtate made a transition from WIN to WIN-Demonstration, only the WIN-Demonstration registrant count was used to determine the unit cost. Some states did not provide a registrant count during this transition period. For these states, no unit cost was calculated.
(2) Not calculable because several states could not provide registrant data.
(3) Indicates states which administered a WIN-Demonstration program for part or all of the fiscal year. Some WIN-Demonstration states were unable to provide registrant counts.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
13.646 WORK INCENTIVE PROGRAM AND DEMONSTRATIONS

	Cost Per Registrant	
United States		(2)
Alabama	$193	
Alaska	$1,262	
Arizona	$413	(3)
Arkansas	$349	(3)
California		(3)
Colorado	$392	
Connecticut	$251	
Delaware	$294	(3)
D. C.	$175	
Florida	$256	(3)
Georgia		(3)
Hawaii	$250	
Idaho	$1,197	
Illinois	$158	(3)
Indiana	$180	(3)
Iowa		(3)
Kansas	$365	
Kentucky	$149	
Louisiana	$151	
Maine	$452	(3)
Maryland	$172	(3)
Massachusetts	$158	(3)
Michigan	$89	(3)
Minnesota	$249	
Mississippi	$335	
Missouri	$271	
Montana	$477	
Nebraksa	$238	(3)
Nevada	$594	
New Hampshire	$519	
New Jersey	$117	(3)
New Mexico	$242	
New York	$163	(3)
North Carolina	$222	
North Dakota	$385	
Ohio	$102	
Oklahoma	$79	(3)
Oregon	$727	(3)
Pennsylvania		(3)
Rhode Island	$170	
S. Carolina	$241	
S. Dakota	$617	(3)
Tennessee	$92	
Texas	$173	(3)
Utah	$1,169	
Vermont	$729	
Virginia		(3)
Washington	$627	
W. Virginia	$182	(3)
Wisconsin		(3)
Wyoming	$384	
Guam		(4)
Puerto Rico	$93	
Virgin Islands	$772	

Data Sources: WIN-Demonstration Outlays: Grant Award documents issued to States.
WIN Outlays: Grant Award documents (SAU) issued to States and SESACAS (ETU) reports.
WIN-Demonstration Registrants: SSA-4769 reports from the States.
WIN Registrants: Department of Labor, WIN Program Management Information Report (ESARS), Table D-1.

(1) Based on average number of on-hand registrants. If a state made a transition from WIN to Win-Demonstration, only the Win Demonstration registrant count was used to determine the unit cost. Less than half of registrants actually participate in activities, so mean cost of services for participants will be considerably higher.
(2) Cannot calculate United States average because several states unable to provide registrant data.
(3) Indicates states which administered a WIN-Demonstration program for part or all of the fiscal year. Some WIN-Demonstration states were unable to provide registrant counts.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
13.646 WORK INCENTIVE PROGRAM AND DEMONSTRATIONS

		Cost Per Registrant	
United States			(2)
Alabama		$185	
Alaska		$1,272	
Arizona		$372	(3)
Arkansas		$449	(3)
California		$133	
Colorado		$384	
Connecticut		$226	
Delaware		$289	(3)
D. C.		$215	
Florida		$261	(3)
Georgia		$276	
Hawaii		$134	
Idaho		$1,217	
Illinois		$152	(3)
Indiana		$142	
Iowa			(3)
Kansas		$324	
Kentucky		$127	
Louisiana		$187	
Maine		$470	(3)
Maryland		$205	(3)
Massachusetts		$392	(3)
Michigan		$87	(3)
Minnesota		$394	
Mississippi		$714	
Missouri		$286	
Montana		$626	
Nebraksa		$318	(3)
Nevada		$524	
New Hampshire		$493	
New Jersey		$118	(3)
New Mexico		$318	
New York		$255	
North Carolina		$267	
North Dakota		$435	
Ohio		$131	
Oklahoma		$81	(3)
Oregon		$755	(3)
Pennsylvania			(3)
Rhode Island		$207	
S. Carolina		$245	
S. Dakota			(3)
Tennessee		$108	
Texas		$193	(3)
Utah		$621	
Vermont		$669	
Virginia			(3)
Washington		$790	
W. Virginia		$213	(3)
Wisconsin			(3)
Wyoming		$382	
Guam			(4)
Puerto Rico		$137	
Virgin Islands		$795	

Data Sources: WIN-Demonstration Outlays: Grant Award documents issued to States.
WIN Outlays: Grant Award documents (SAU) issued to States and SESACAS (ETU) reports.
WIN-Demonstration Registrants: SSA-4769 reports from the States.
WIN Registrants: Department of Labor, WIN Program Management Information Report (ESARS), Table D-1.

(1) Based on average number of on-hand registrants. Less than half of registrants actually participate in activities, so mean cost of services for participants will be considerably higher. If a state made a transition from WIN to WIN-Demonstration, only the WIN-Demonstration registrant count was used to determine the unit cost.
(2) Cannot calculate United States average because several states unable to provide registrant data.
(3) Indicates states which administered a WIN-Demonstration program for part or all of the fiscal year. Some WIN-Demonstration states were unable to provide registrant counts.

XI. HISTORICAL DATA (Dollars in thousands)
13.646 WORK INCENTIVE PROGRAM AND DEMONSTRATIONS

Federal Fiscal Year	Total Federal Outlays	Total State-Local Spending	Registrants	(1)	Federal Staff	(2)
1985	$278,816	$31,532			89	
1984	$264,639	$37,687			97	
1983	$289,328	$32,147			124	
1982	$234,541	$26,060			122	
1981	$381,067	$42,340	1,566,515		225	
1980	$395,262	$43,918	1,567,133		288	
1979	$385,042					
1978	$346,099					
1977	$360,537					
1976	$307,313					
1975	$313,837					
1974	$339,862					
1973	$281,055					
1972	$171,103					
1971	$128,951					
1970	$86,618					
1969	$32,563					
1968						
1967						
1966						
1965						
1964						
1963						
1962						
1961						
1960						

Data Sources: Budget of the United States Government.

(1) On-hand registrants (persons served) is the only available unit count.
(2) Includes federal staff of the Department of Labor and the Department of Health and Human Services.

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INDIAN AND NATIVE AMERICAN EMPLOYMENT AND TRAINING PROGRAMS

I. PROGRAM SUMMARY

The Native American Employment and Training (NAET) Programs provide federal funds to support a set of comprehensive job training services for low income, underemployed, and unemployed persons of Native American descent. Authorized under Section 401 Title IV-A of the Job Training Partnership Act, the NAET programs are administered by the U.S. Department of Labor and Indian and Native American entities. State and local governments have no role in administering the program, except in a few instances where no Indian or Native American group desires to serve a particular area and a state agrees to do so.

In an average month in FY 1985, about 11,300 persons were enrolled in NAET programs at a total annual federal cost of about $65 million. The programs are fully funded by the federal government. The federal funds are allocated by formula: 75 percent of the annual appropriation is distributed on the basis of relative numbers of Indians and Native Americans with incomes below the federal poverty guidelines and 25 percent on the basis of relative numbers of such persons who are unemployed.

The NAET funds are utilized for employment, training, and supportive services. Programs may sponsor employment for youths, community services, work experience, or training. Training may be either in a classroom or on-the-job. Supportive services may include day care, drug and alcohol counseling, transportation and relocation assistance, and similar services. Enrollees in training or work experience receive allowance payments and wages are paid to those employed. Grantees under the NAET program have full discretion to allocate funds to those activities which they believe are best tailored to the needs of their service populations.

Eligibility is limited to persons of Native American descent who are economically disadvantaged, unemployed, or underemployed. Economically disadvantaged is defined as persons whose income does not exceed the federal poverty guidelines or, if higher, 70 percent of the Lower Living Standard Income Level or who receive public assistance. Persons who are unemployed or underemployed need not meet these income tests.

II. ADMINISTRATION

A. Program name: Indian and Native American Employment and Training Programs.

B. Catalog of Federal Domestic Assistance No.: 17.251
Budget account number(s): 16-0174-0-1-504.

C. Current authorizing statute: Job Training Partnership Act, Title IV-A, Section 401.

D. Location of program regulations in the Code of Federal Regulations: 20 CFR 632.

E. Federal administering agency: Department of Labor.

F. Primary grantee (if any) receiving program funds to provide benefits: Tribal organizations and private nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Funds are appropriated by Congress annually and are allocated to grantees by a formula, based on the relative number of unemployed and poverty-level Native Americans residing in the grantee's service area as recorded in the 1980 Census. There is no requirement for matching funds from non-federal sources.

I. Role of state and local governments in administering the program.

State and local governments have no role in the administration of this program, except in a few instances where there is no Indian or Native American group desiring to serve a particular area and a state has agreed to do it.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

NAET programs are intended to provide employment and training opportunities for unemployed, underemployed, or economically disadvantaged Indians and Native Americans.

B. Allocation of program funds among activities.

Each grantee allocates funds in its grant to the activities which it believes are best tailored to the needs of its service population, e.g., classroom training, OJT, try-out employment, training assistance, community service employment, work experience, youth employment, day care, health programs, job search, and relocation and transportation allowances.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual Native Americans who are unemployed, underemployed, or economically disadvantaged.

B. Income eligibility standards.

If an individual is unemployed or underemployed, there are no income limits. Economically disadvantaged is defined as persons whose income does not exceed the higher of federal poverty guidelines or 70 percent of the Lower Living Standard Income Level.

C. Other eligibility requirements.

All male applicants born on or after January 1, 1960, must show proof of compliance with Section 3(a) of the Military Selective Service Act.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Program intake includes voluntary applications, referrals by third parties, and grantee outreach.

B. Program benefits or services.

Program benefits are determined by the grantee when placing the participant in a specific program. Benefits include allowance payments to persons in classroom or work experience training, salaries to persons engaged in community service employment, and various sorts of employment related services.

C. Duration of benefits.

No information on average duration of participation is available. However, participation in work experience is limited to 1,000 hours per year. Community service employment is limited to 78 weeks in a two-year period.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Receipt of public assistance, including cash welfare and Food Stamps, categorically establishes that a person is economically disadvantaged.

B. Counting assistance from other programs.

Unemployment compensation, cash and non-cash welfare are not counted as income in determining eligibility.

Services within this program are generally not affected by changes in benefits or services of other programs.

C. Overlapping authorities and benefits.

Other programs under the Job Training Partnership Act, as well as Vocational Education and Higher Education Grants for Indians, provide employment and training services for Native Americans.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources

House of Representatives

Committee on Education and Labor

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

XI. HISTORICAL DATA (Dollars in thousands) (1)
17.251 NATIVE AMERICAN EMPLOYMENT AND TRAINING PROGRAM

Federal Fiscal Year	Total Federal Outlays	Persons Served	(2)
1985	$64,524	11,300	
1984	$72,159	13,500	
1983	$60,931	13,680	
1982	$54,427	15,500	
1981	$79,942		
1980	$80,649		
1979	$81,740		
1978	$58,621		
1977	$51,611		
1976	$60,700		
1975	$13,400		
1974			
1973			
1972			
1971			
1970			
1969			
1968			
1967			
1966			
1965			
1964			
1963			
1962			
1961			
1960			

Data Sources: Employment and Training Administration.

(1) Data displayed for FY 1983 and prior years represent the predessor program under CETA.
(2) Average monthly enrollment.

MIGRANT AND SEASONAL FARMWORKER PROGRAMS

I. PROGRAM SUMMARY

Migrant and Seasonal Farmworker Programs (MSFPs), sponsored by the U.S. Department of Labor, receive federal funds to provide job training, employment opportunities, and supportive services for low income individuals who suffer chronic seasonal unemployment and underemployment in the agricultural industry. Authorized under Section 402, Title IV of the Job Training Partnership Act of 1982, the MSFPs are intended to enable participants to find unsubsidized employment in other occupations or stabilized employment within the agriculture industry. Toward that end, public agencies and private nonprofit organizations are awarded grants to train and assist seasonal farmworkers.

Eligibility is limited to economically disadvantaged seasonal farmworkers and their dependents. Seasonal farmworkers are defined as persons who have, during any 12 consecutive months in the 24 month period preceding enrollment, received at least 50 percent of their total earned income as agricultural workers and been employed in agriculture on a seasonal basis. Economically disadvantaged means having annual family income that does not exceed the higher of either 100 percent of the federal poverty guidelines or 70 percent of the Lower Living Standard Income Level or receiving public assistance.

The MSFPs offer services such as classroom and on-the-job training, with basic hourly allowances about equal to the federal minimum wage. There are limits to the allowance-subsidized training. Other SFP services include job placement, relocation, and education assistance. To improve the lives of seasonal farmworker families who remain in agricultural employment, MSFPs also offer services such as health care, temporary shelter, meals, and emergency assistance.

In an average month in FY 1985, about 11,000 persons were enrolled in MSFPs at a total federal cost of about $63 million annually. These federal funds were allocated to the states based on a formula reflecting the distribution of seasonal farmworkers and a small set-aside at the national level for special projects. Of the total grant, no less than 50 percent must be used for training, not more than 20 percent for administrative costs, and not more than 15 percent each for either training-related or non-training-related supportive services. The program is fully funded by the federal government.

Programs similar to those now operated by MSFPs were authorized under the Economic Opportunity Act of 1964 and incorporated into the Comprehensive Employment and Training Act of 1973. Since MSFPs were implemented in 1983, about 130,000 persons have been enrolled in training and about 28,300 have been placed in unsubsidized employment.

II. ADMINISTRATION

A. Program name: Migrant and Seasonal Farmworker Programs.

B. Catalog of Federal Domestic Assistance No.: 17.247
Budget account number(s): 16-0174-0-1-504.

C. Current authorizing statute: Job Training Partnership Act, Title IV-A, Section 402.

D. Location of program regulations in the Code of Federal Regulations: 20 CFR 633 & 636.

E. Federal administering agency: Department of Labor.

F. Primary grantee (if any) receiving program funds to provide benefits: States; insular areas; private nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Funds are distributed to eligible public agencies and private nonprofit organizations based on the total number of people in each state who worked in qualifying agricultural occupations and reported an income at or below 70 percent of the Lower Living Standard Income Level in the 1980 Census. There are no matching requirements for funds from other sources.

I. Role of state and local governments in administering the program.

To the extent that state and local governments are awarded competitive grants, they administer seasonal farmworker programs. Otherwise there is no involvement.

J. Audit or quality control.

The Department has issued performance standards for Section 402 grantees, but grantees may not be penalized for not meeting performance standards for Program Years 1984-1986.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The purpose of the program is to provide job training, employment opportunities, and other services for those individuals who suffer chronic seasonal unemployment and underemployment in the agricultural industry.

B. Allocation of program funds among activities.

No less than 50 percent of the total funds available for a grant must be used for training. Administrative costs shall not exceed 20 percent of the total amount of the grant. Costs for non-training-related supportive services shall not exceed 15 percent of the total amount of the grant. Training-related supportive services shall not exceed 15 percent of the total amount of the grant.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Eligibility is for individual migrant and seasonal farmworkers.

B. Income eligibility standards.

Eligibility is limited to individuals identified as members of a family which receives public assistance or whose annual family income does not exceed the higher of either the federal poverty guidelines or 70 percent of the Lower Living Standard Income Level.

C. Other eligibility requirements.

All male applicants born on or after January 1, 1960, must show proof of compliance with Section 3(a) of the Military Selective Service Act.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Program intake can be voluntary or by referral or transfer from another JTPA funded program.

B. Program benefits or services.

Programs and activities supported under Section 402 enable seasonal farmworkers and their dependents to obtain or retain employment, allow participation in other program activities leading to their placement in unsubsidized unemployment, allow activities leading to stabilization in agricultural employment, and include related assistance and supportive services.

Payments are made to participants who are employed in work experience and participants who are enrolled in classroom training are paid a basic hourly allowance.

For classroom training, the basic hourly allowance shall not exceed the higher of the state or federal minimum hourly wage. Individuals employed in work experience shall be paid wages which shall not be less than the highest of: (1) the minimum wage under Section 6(a)(1) of the Fair Labor Standards Act of 1938; (2) the minimum wage under the applicable state or local minimum wage law; (3) the prevailing rates of pay for individuals employed in similar occupations by the same employer.

C. Duration of benefits.

No information on average duration of participation is available. Participation in work experience may not exceed 1,000 hours in a one-year period.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Receipt of public assistance, including cash welfare and Food Stamps, categorically establishes that a person is economically disadvantaged.

B. Counting assistance from other programs.

Unemployment compensation, cash and non-cash welfare are not counted as income in determining eligibility.

Services within this program are generally not affected by changes in services of other programs.

C. Overlapping authorities and benefits.

The same population may be eligible for employment and training services under other JTPA programs.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Labor

House of Representatives

Committee on Education and Labor
    Subcommittee on Employment Opportunities

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

Predecessor programs were authorized under the Economic Opportunity Act of 1964 and incorporated into the Comprehensive Employment and Training Act of 1973.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands) (1)
17.247 SEASONAL FARMWORKERS PROGRAM (JTPA)

	Benefits	Administration	Total
United States	$50,247	$11,559	$61,805
Alabama	$650	$180	$830
Alaska	$0	$0	$0
Arizona	$821	$213	$1,034
Arkansas	$913	$238	$1,151
California	$8,390	$1,974	$8,889
Colorado	$633	$143	$776
Connecticut	$231	$77	$308
Delaware	$98	$24	$122
D. C.	$0	$0	$0
Florida	$3,207	$591	$3,798
Georgia	$1,322	$263	$1,585
Hawaii	$132	$33	$165
Idaho	$670	$175	$845
Illinois	$1,024	$252	$1,276
Indiana	$520	$138	$657
Iowa	$1,506	$310	$1,816
Kansas	$954	$242	$1,196
Kentucky	$841	$193	$1,034
Louisiana	$614	$132	$752
Maine	$295	$81	$377
Maryland	$239	$39	$278
Massachusetts	$232	$72	$299
Michigan	$906	$192	$1,098
Minnesota	$1,370	$370	$1,740
Mississippi	$1,276	$194	$1,470
Missouri	$667	$189	$856
Montana	$577	$145	$723
Nebraska	$1,064	$229	$1,293
Nevada	$111	$22	$133
New Hampshire	$83	$26	$109
New Jersey	$252	$70	$322
New Mexico	$282	$72	$354
New York	$1,166	$270	$1,437
N. Carolina	$2,376	$461	$2,837
N. Dakota	$653	$164	$817
Ohio	$1,308	$202	$1,510
Oklahoma	$586	$177	$763
Oregon	$917	$200	$1,117
Pennsylvania	$935	$267	$1,202
Rhode Island	$0	$0	$0
S. Carolina	$834	$158	$992
S. Dakota	$489	$107	$596
Tennessee	$753	$157	$910
Texas	$3,386	$1,006	$4,392
Utah	$175	$45	$220
Vermont	$148	$38	$185
Virginia	$796	$180	$976
Washington	$1,770	$392	$2,162
W. Virginia	$223	$49	$273
Wisconsin	$1,399	$431	$1,830
Wyoming	$161	$40	$201
Puerto Rico	$2,383	$297	$2,680

Data Sources: JTPA Migrant/Seasonal Farmworkers Program ASR.

(1) Data reflect Program Year 84, July 1, 1984 to June 30, 1985.
Data were derived from mean costs and numbers of participants.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
17.247 SEASONAL FARMWORKERS PROGRAM (JTPA)

	Participants (1)
United States	52,780
Alabama	866
Alaska	0
Arizona	626
Arkansas	1,109
California	4,700
Colorado	951
Connecticut	227
Delaware	135
D. C.	0
Florida	5,140
Georgia	1,378
Hawaii	63
Idaho	1,126
Illinois	1,763
Indiana	797
Iowa	833
Kansas	938
Kentucky	971
Louisiana	178
Maine	178
Maryland	203
Massachusetts	243
Michigan	2,633
Minnesota	2,985
Mississippi	1,127
Missouri	669
Montana	782
Nebraska	890
Nevada	20
New Hampshire	36
New Jersey	571
New Mexico	169
New York	949
N. Carolina	3,605
N. Dakota	1,305
Ohio	2,019
Oklahoma	471
Oregon	454
Pennsylvania	803
Rhode Island	0
S. Carolina	1,421
S. Dakota	511
Tennessee	742
Texas	2,265
Utah	268
Vermont	109
Virginia	944
Washington	1,045
W. Virginia	218
Wisconsin	687
Wyoming	260
Puerto Rico	2,397

Data Sources: JTPA Migrant/Seasonal Farmworker Program ASR.

(1) Data reflect an unduplicated count of Program Year 84, July 1, 1984 through June 30, 1985.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
17.247 SEASONAL FARMWORKERS PROGRAM (JTPA)

		Benefits	(2)	Administration	(2)	Total	(2)
United States		$952		$219		$1,171	
Alabama		$751		$208		$959	
Alaska		$0		$0		$0	
Arizona		$1,312		$340		$1,652	
Arkansas		$823		$215		$1,038	
California		$1,785		$420		$1,887	
Colorado		$666		$150		$816	
Connecticut		$1,018		$338		$1,356	
Delaware		$726		$175		$901	
D. C.		$0		$0		$0	
Florida		$624		$115		$739	
Georgia		$959		$191		$1,150	
Hawaii		$2,088		$529		$2,617	
Idaho		$595		$155		$750	
Illinois		$581		$143		$724	
Indiana		$653		$171		$824	
Iowa		$1,808		$372		$2,180	
Kansas		$1,017		$258		$1,275	
Kentucky		$866		$199		$1,065	
Louisiana		$3,450		$744		$4,224	
Maine		$1,660		$456		$2,116	
Maryland		$1,175		$192		$1,367	
Massachusetts		$953		$298		$1,231	
Michigan		$344		$73		$417	
Minnesota		$459		$124		$583	
Mississippi		$1,132		$172		$1,304	
Missouri		$997		$282		$1,279	
Montana		$738		$186		$924	
Nebraska		$1,196		$257		$1,453	
Nevada		$5,558		$1,107		$6,665	
New Hampshire		$2,299		$730		$3,029	
New Jersey		$441		$123		$564	
New Mexico		$1,666		$427		$2,093	
New York		$1,229		$285		$1,514	
N. Carolina		$659		$128		$787	
N. Dakota		$500		$126		$626	
Ohio		$648		$100		$748	
Oklahoma		$1,244		$375		$1,619	
Oregon		$2,020		$440		$2,460	
Pennsylvania		$1,164		$333		$1,497	
Rhode Island		$0		$0		$0	
S. Carolina		$587		$111		$698	
S. Dakota		$956		$210		$1,166	
Tennessee		$1,015		$211		$1,226	
Texas		$1,495		$444		$1,939	
Utah		$654		$168		$822	
Vermont		$1,356		$345		$1,701	
Virginia		$843		$191		$1,034	
Washington		$1,694		$375		$2,069	
W. Virginia		$1,024		$227		$1,251	
Wisconsin		$2,036		$628		$2,664	
Wyoming		$621		$153		$774	
Puerto Rico		$994		$124		$1,118	

Data Sources: JTPA Migrant/Seasonal Farmworkers Program ASR.

(1) Data reflect Program Year 84, July 1, 1984 to June 30, 1985.

XI. HISTORICAL DATA (Dollars in thousands) (1)
17.247 SEASONAL FARMWORKERS PROGRAM (JTPA)

Federal Fiscal Year	Total Federal Budget Authority	Participants	(2)
1985	$63,058	50,055	
1984	$59,557	52,780	
1983	$69,130		
1982	$70,518		
1981	$83,948		
1980	$110,278		
1979	$106,403		
1978	$66,463		
1977	$60,922		
1976	$83,500		
1975			
1974			
1973			
1972			
1971			
1970			
1969			
1968			
1967			
1966			
1965			
1964			
1963			
1962			
1961			
1960			

Data Sources: Employment and Training Administration.

(1) Data displayed for FY 1983 and prior years represent the predecessor program under CETA. Data for 1980 through 1985 are fiscal year budget authority, rather than Program Year spending, as on Table VIII.A.
(2) Units served are all program participants for PY 1984 (July 1, 1984 through June 30, 1985) and PY 1985 (July 1, 1985 through June 30, 1986).

FOSTER GRANDPARENTS PROGRAM

I. PROGRAM SUMMARY

The Foster Grandparents Program (FGP) provides both part-time volunteer service opportunities for low income older persons and person-to-person support services to children with special or exceptional needs. State and local governments, as well as private nonprofit organizations, are grantees who sponsor FGP projects. Grantees recruit volunteers who are eligible and capable, assign the volunteers to children with physical or mental problems, and reimburse the volunteers to enable them to serve without cost to themselves.

In FY 1985, there were about 18,850 Foster Grandparents serving about 66,000 children at a total federal cost of about $56 million. These federal funds cover about 90 percent of FGP costs; with certain exceptions, at least 10 percent of program costs must be met by the grantees. In 1985, grantees more than met these matching requirements with states providing about $7 million and local governments providing about $2 million more. The FGP is not an entitlement program. Participation is limited primarily by the annual federal appropriation and the required local support.

Foster Grandparent volunteers serve in a wide variety of public and private, residential and nonresidential, settings. Among other projects, Foster Grandparents work with autistic and severely burned children, in juvenile detention facilities and mental institutions, and call on homes to provide care and companionship. The service rendered is not to displace employed workers and FGP funds may not be used to support either religious or political activities.

The FGP grants may be used to provide Foster Grandparents with stipends, insurance, transportation, and meals during service to offset the costs of volunteering. Volunteers also receive annual physical examinations that help to determine that they are capable of serving without detriment to themselves or others. The stipends of $2.20 an hour are tax-free and may not be treated as income under any public benefit program.

In order to participate in FGP, volunteers must be at least aged 60, no longer in the regular work force, and below a certain income. The income eligibility test in each state is the higher of 125 percent of the federal poverty guidelines or 100 percent of the federal poverty guidelines plus any state supplement to the federal Supplemental Security Income benefit. Once enrolled, volunteers may continue to participate as long as their incomes do not exceed 120 percent of the income limit.

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II. ADMINISTRATION

A. Program name: Foster Grandparents Program.

B. Catalog of Federal Domestic Assistance No.: 72.001
Budget account number(s): 44-0103-0-1-506.

C. Current authorizing statute: Domestic Volunteer Service Act of 1973, as amended (Pub. L. 93-113).

D. Location of program regulations in the Code of Federal Regulations: Title 45, Chapter XII, Parts 1203, 1206, 1208, 1216, 1220, 1226, 1232, and 1233.

E. Federal Administering agency: ACTION.

F. Primary grantee (if any) receiving program funds to provide benefits: States; local governments; nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

There is no allocation formula for distributing funds to grantees. Funds are provided based on project applications. Federal funds may be granted to fund up to 90 percent of the total cost of SCP projects and the Director may waive the requirement for nonfederal funding.

Since 1975, ACTION has used an internal formula developed for allocating resources to the nine ACTION regions, as follows:

- 1 percent of the budget is retained by Headquarters for FGP special purpose projects;
- 25 percent of the budget is divided among the ACTION regions based on a division into 53 parts; one part for each state, the District of Columbia and Puerto Rico; one-half part for the Virgin Islands; and one-fourth part each for American Samoa and Guam;
- 75 percent is divided among the ACTION regions, based on regional percentage of the older American population with income below poverty, using latest available data.

The present guidance on regional allocations to states is as follows:

> To the maximum extent practicable, Regional Offices should allocate resources to the states using the states' percentage of...low income persons aged 60 or over for FGP... For example, the percentage of the

regional budget allocated to a state for FGP should approximate that state's percentage of the regional Older American population whose income falls below the poverty guidelines.

In regions where the resource allocation does not presently approximate the percentage of the appropriate population for a given program, the region should seek to arrive at a more equitable distribution as additional funds become available. Such funds may result from increased appropriations, closing of poorly-managed projects in overfunded states, or from application of ACTION Order 2650.1 when Headquarters directs that funds will remain in the regions.

Allocations by the regions to the states are also influenced by such factors as staff ability to handle increased workload; superior quality of project proposals from other states in competitive situations; whether a specific purpose is set forth in the appropriation, e.g., increase in stipends, in which case it is based on number of volunteers, etc.

I. Role of state and local governments in administering the program.

Twenty-seven state governments and 28 local governments serve as grantees.

J. Audit or quality control.

FGP operates as a project grant program. Grantees administer grants according to applicable OMB circulars.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

Pub. L. 93-113 and the CFR stipulate grants are awarded to provide "opportunities for low-income persons aged sixty and over to serve as 'Foster Grandparents' to children with special or exceptional needs."

B. Allocation of program funds among activities.

Stipends, insurance, transportation, meals during service, annual physical exams, and uniforms are provided to offset the costs of volunteering.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Low income individuals aged sixty and over are eligible for program benefits.

B. Income eligibility standards.

Pub. L. 93-113 sets the baseline level as 125 percent of the poverty income guidelines. The Director has the authority to adjust the levels to meet local situations. In selected states, the level is 100 percent of the federal poverty income guidelines plus the amount the state supplements the federal Supplemental Security Income (SSI) grant, if this amount is higher than 125 percent of the guidelines.

For eligibility purposes, income does not include: assets drawn down as withdrawals from a bank; sale of property, house, or car; tax refunds; gifts; one-time insurance payments or compensation for injury; non-cash income.

Once enrolled, a volunteer may remain eligible as long as his or her income does not exceed the prescribed level by 20 percent.

C. Other eligibility requirements.

Volunteers must also be no longer in the regular work force and determined by a physical exam to be capable of serving without detriment to themselves or to persons served.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Volunteers are recruited locally through the media, referrals from individuals, service agencies, and a variety of other sources. Local grantees include state and local governments, tribal organizations, and private nonprofit organizations.

B. Program benefits or services.

Stipends and travel and meal reimbursements are generally provided biweekly or monthly. Physical exams and insurance are provided annually.

The stipend is set by law; other benefits are based on true costs, as determined by local sponsors.

C. Duration of benefits.

The projects are ongoing. No information is available on duration of individual volunteer service.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

None.

B. Counting assistance from other programs.

Cash income, including cash assistance, is counted in determining eligibility.

C. Overlapping authorities and benefits.

Other programs providing employment opportunities for low income elderly persons include the Senior Companion Program and the Senior Community Service Employment Program.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Children, Family, Drugs and Alcohol

House of Representatives

Committee on Education and Labor
    Subcommittee On Human Resources

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services and Education

C. Other committees and subcommittees holding hearings on this program within the past two years.

House of Representatives

Committee on Government Operations

D. Federal legislation.

The enabling legislation for ACTION's Older American Volunteer Programs, which includes FGP, is Title II of the Domestic Volunteer Service Act of 1973 (DVSA), as amended (Pub. L. 93-113, October 1, 1973). The purpose of the Act was to provide a sound legislative foundation from which ACTION could more efficiently and more effectively carry out the programs transferred to it in July 1971.

Pub. L. 94-135: Congress moved generally to strengthen the Older American Volunteer Programs (OAVP), administered by ACTION by expanding for two fiscal years, beyond FY 1976, the authorizations for appropriations for the Older American programs, including the Senior Companion Program (SCP). The Act further provided that the Agency designate, in each state office, an "aging resource specialist" whose primary responsibility is to support the Title II programs.

Pub. L. 95-478 provided a three-year extension of the OAVP programs (including FGP); permitted individuals with incomes up to 125 percent of the poverty guidelines to be Foster Grandparents; authorized a raise in the stipend for Foster Grandparents up to $2.00 per hour if appropriations were increased to make it possible without any reduction in the number of volunteers currently participating in the programs.

Pub. L. 97-35 established FGP as Part C of Title II and provided authority for joint sponsorship of FGP and SCP projects, but called for strengthening the identity of two programs. Congress encouraged the agency to ensure that OAVP project sponsors were kept informed and consulted on programmatic changes affecting their programs.

Pub. L. 98-288: The 1984 amendments to the DVSA provided that whenever non-federal contributions to local OAVP projects are in excess of the required match, the Agency may not restrict the manner in which such contributions are expended. They also increased the stipend for Foster Grandparents from $2.00 to $2.20 per hour.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
72.001 FOSTER GRANDPARENTS

	Federal Obligations	(1)
United States	$55,837	
Alabama	$1,185	
Alaska	$230	
Arizona	$573	
Arkansas	$888	
California	$3,457	
Colorado/Wyoming	$996	
Connecticut	$882	
Florida	$2,756	
Georgia	$984	
Idaho	$463	
Illinois	$1,979	
Indiana	$1,288	
Iowa	$1,050	
Kansas	$1,035	
Kentucky	$833	
Louisiana	$1,145	
Maine	$412	
Maryland/Deleware	$1,196	
Massachusetts	$1,384	
Michigan	$2,045	
Minnesota	$967	
Mississippi	$918	
Missouri	$1,413	
Montana	$462	
N. Carolina	$988	
Nebraska	$724	
Nevada	$421	
New Hampshire	$767	
New Jersey	$1,424	
New Mexico	$693	
New York	$4,748	
No. Dak./So. Dak.	$584	
Ohio	$3,082	
Oklahoma	$859	
Oregon	$701	
Pennsylvania	$1,140	
Rhode Island	$385	
S. Carolina	$525	
Tennessee	$923	
Texas	$2,592	
Utah	$415	
Virginia/D.C.	$1,298	
Washington	$960	
W. Virginia	$1,029	
Wisconsin	$1,146	
Puerto Rico/V.I.	$1,074	
Hawaii/Guam/Samoa	$238	

Data Sources: ACTION administrative records.

(1) Does not include grantee funds. Federal funds may equal up to 90 percent of total.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
72.001 FOSTER GRANDPARENTS

		Federal Obligations	(1)
United States		$49,649	
Alabama		$806	
Alaska		$206	
Arizona		$546	
Arkansas		$709	
California		$3,158	
Colorado/Wyoming		$843	
Connecticut		$823	
Florida		$2,278	
Georgia		$949	
Hawaii/Guam/Samoa		$209	
Idaho		$426	
Illinois		$1,829	
Indiana		$1,177	
Iowa		$945	
Kansas		$904	
Kentucky		$771	
Louisiana		$925	
Maine		$380	
Maryland/Delaware		$1,058	
Massachusetts		$1,239	
Michigan		$1,748	
Minnesota		$854	
Mississippi		$824	
Missouri		$1,350	
Montana		$422	
N. Carolina		$771	
Nebraska		$661	
Nevada		$372	
New Hampshire		$677	
New Jersey		$1,277	
New Mexico		$536	
New York		$4,533	
No. Dak./So. Dak.		$517	
Ohio		$3,296	
Oklahoma		$741	
Oregon		$666	
Pennsylvania		$1,035	
Puerto Rico/V.I.		$986	
Rhode Island		$355	
S. Carolina		$432	
Tennessee		$811	
Texas		$2,309	
Utah		$384	
Virginia/D.C.		$1,163	
Washington		$862	
W. Virginia		$876	
Wisconsin		$1,010	

Data Sources: ACTION administrative records.

(1) Does not include grantee funds. Federal funds may equal up to 90 percent of total.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
72.001 FOSTER GRANDPARENTS

	Volunteers		Handicapped or Disabled	
United States	20,552	(1)	1,739	(2)
Alabama	414		25	
Alaska	92		9	
Arizona	312		39	
Arkansas	300		9	
California	1,335		140	
Colorado/Wyoming	276		69	
Connecticut	335		19	
Florida	926		65	
Georgia	380		18	
Idaho	164		7	
Illinois	679		45	
Indiana	447		86	
Iowa	385		63	
Kansas	328		23	
Kentucky	339		15	
Louisiana	355		12	
Maine	143		11	
Maryland/Delaware	522		55	
Massachusetts	495		11	
Michigan	1,168		162	
Minnesota	423		12	
Mississippi	293		9	
Missouri	502		90	
Montana	101		4	
Nebraska	259		20	
Nevada	189		6	
New Hampshire	149		8	
New Jersey	535		30	
New Mexico	553		24	
New York	1,737		182	
N. Carolina	285		15	
No. Dak./So. Dak.	189		20	
Ohio	770		46	
Oklahoma	398		36	
Oregon	257		4	
Pennsylvania	735		37	
Rhode Island	79		11	
S. Carolina	112		8	
Tennessee	288		29	
Texas	886		139	
Utah	168		12	
Vermont	133		54	
Virginia/D.C.	426		16	
Washington	341		23	
W. Virginia	310		4	
Wisconsin	502		6	
Puerto Rico/V.I.	411		6	
Hawaii/Guam/Samoa	126		5	

Data Sources: FGP Project Profile Reports.

(1) Volunteers as of 3/31/85. All are aged 60 or older.
(2) Handicapped means having physical or mental impairments which substantially limit one or more major life activities.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
72.001 FOSTER GRANDPARENTS

	Volunteers		Handicapped or Disabled	
United States	20,680	(1)	1,800	(2)
Alabama	392		23	
Alaska	120		11	
Arizona	221		28	
Arkansas	297		6	
California	1,411		162	
Colorado/Wyoming	341		53	
Connecticut	315		10	
Florida	906		41	
Georgia	410		16	
Idaho	168		1	
Illinois	680		21	
Indiana	451		50	
Iowa	402		51	
Kansas	321		21	
Kentucky	329		13	
Louisiana	416		14	
Maine	154		9	
Maryland/Deleware	517		61	
Massachusetts	489		16	
Michigan	1,159		187	
Minnesota	539		24	
Mississippi	281		8	
Missouri	525		85	
Montana	95		4	
Nebraska	263		29	
Nevada	178		12	
New Hampshire	131		3	
New Jersey	564		44	
New Mexico	483		16	
New York	1,634		86	
N. Carolina	269		23	
No. Dak./So. Dak.	136		22	
Ohio	768		37	
Oklahoma	346		123	
Oregon	279		6	
Pennsylvania	819		81	
Rhode Island	135		9	
S. Carolina	116		1	
Tennessee	278		15	
Texas	857		196	
Utah	158		8	
Vermont	136		24	
Virginia/D.C.	432		16	
Washington	340		61	
W. Virginia	323		3	
Wisconsin	539		58	
Puerto Rico/V.I.	433		12	
Hawaii/Guam/Samoa	126			

Data Sources: FGP Project Profile Reports.

(1) Volunteers as of 3/31/84. All are aged 60 or older.
(2) Handicapped means having physical or mental impairments which substantially limit one or more major life activities.

XI. HISTORICAL DATA (Dollars in thousands)
72.001 FOSTER GRANDPARENTS

Federal Fiscal Year	Total Federal Appropriations (1)	Volunteers (2)
1985	$56,100	18,857
1984	$48,400	18,425
1983	$48,400	18,350
1982	$49,670	18,093
1981	$48,400	18,093
1980	$46,900	16,929
1979	$35,027	16,640
1978	$34,912	16,250
1977	$34,000	16,000
1976	$28,347	13,900
1975	$28,000	13,600
1974	$25,000	12,200
1973	$25,000	11,025
1972	$25,000	10,036
1971	$10,500	4,400
1970	$9,250	4,200
1969	$8,972	4,100
1968	$9,575	4,000
1967	$5,840	2,000
1966	$5,108	782
1965		
1964		
1963		
1962		
1961		
1960		

Data Sources: ACTION administrative records.

(1) Does not include grantee funds. Federal funds may equaly up to 90 percent of total.
(2) Based on budgeted positions.

SENIOR COMPANION PROGRAM

I. PROGRAM SUMMARY

The Senior Companion Program (SCP) provides both volunteer service opportunities for low income older persons and community care for adults with mental or physical impairments. State and local governments as well as private nonprofit organizations sponsor SCP projects. Sponsors recruit volunteers, assign them to assist adults with special needs and enable them to serve without cost to themselves.

In FY 1986, the SCP funded about 87 projects with about 5,300 Senior Companions who served approximately 18,500 adults at a total federal cost of about $18 million. These federal funds cover about 90 percent of SCP costs; the grantee must meet at least 10 percent of program costs. In FY 1985, grantees more than met the matching requirement with states spending about $3.7 million and local governments contributing about $926,000.

Senior Companions provide a variety of person-to-person services to adults with mental or physical problems. Among other projects, the SCP provides assistance to deinstitutionalized mental patients, to alcoholics in rehabilitation programs, and to terminally ill patients in hospices. Volunteers also assist with activities of daily living for persons being discharged from acute care hospitals and to homebound older persons. SCP services may not displace employed workers and SCP funds may not be used to support religious or political activities.

The SCP funds are used to provide Senior Companions with stipends, insurance, transportation, and meals during service to defray the costs of volunteering. Volunteers also receive annual physical examinations that help to determine who is capable of serving without detriment to themselves or others. The stipends of $2.20 an hour are tax-free and cannot be treated as income under any public benefit program.

In order to become a Senior Companion, a person must be at least aged 60, no longer in the regular work force, and below a certain income. The income eligibility test in each state is the higher of 125 percent of the federal poverty income guidelines or 100 percent of the federal poverty income guidelines plus any state supplement to the federal Supplemental Security Income benefit. Once enrolled, volunteers may continue to serve as long as their incomes do not exceed 120 percent of the income limit.

II. ADMINISTRATION

A. Program name: Senior Companion Program.

B. Catalog of Federal Domestic Assistance No.: 72.008
Budget account number(s): 44-0103-0-1-506.

C. Current authorizing statute: Domestic Volunteer Service Act of 1973, as amended (Public Law 93-113, October 1, 1973).

D. Location of program regulations in the Code of Federal Regulations: Title 45, Chapter XII, Parts 1203, 1206, 1207, 1216, 1220, 1226, 1232, and 1233.

E. Federal Administering agency: ACTION.

F. Primary grantee (if any) receiving program funds to provide benefits: States; local governments; nonprofit organizations.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

There is no allocation formula for distributing funds to grantees. Funds are provided based on project applications. Federal funds may be granted to fund up to 90 percent of the total cost of SCP projects and the Director may waive the requirement for non-federal funding.

I. Role of state and local governments in administering the program.

Nine state governments and 17 local governments serve as grantees.

J. Audit or quality control.

SCP operates as a project grant program. Grantees administer grants according to applicable OMB circulars.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The SCP grants are awarded to provide opportunities for low income persons aged 60 and over to serve as Senior Companions to persons with exceptional needs.

B. Allocation of program funds among activities.

Stipends, insurance, transportation, meals during service, annual physical exams, and uniforms are provided to offset the costs of volunteering.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Eligibility is limited to low income individuals aged 60 and over.

B. Income eligibility standards.

Household incomes may not exceed 125 percent of the federal poverty income guidelines. The Director has the authority to adjust the levels to meet local situations. In selected states, the level is 100 percent of the federal poverty income guidelines plus the amount the state supplements the federal Supplemental Security Income (SSI).

For eligibility purposes, income does not include: assets drawn down as withdrawal from a bank; sale of property, house, or car; tax refunds; gifts; one-time insurance payments or compensation for injury; non-cash income.

Once enrolled, a volunteer may remain eligible as long as his or her income does not exceed the prescribed level by 20 percent.

C. Other eligibility requirements.

Volunteers must also be no longer in the regular work force and determined by a physical exam to be capable of serving without detriment to themselves or to persons served.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake process.

Volunteers are recruited locally through the media, referrals from individuals, service agencies, and a variety of other sources.

B. Program benefits or services.

Stipends, insurance, transportation, meals during service, annual physical exams, and uniforms are provided to offset the costs of volunteering.

Stipends and travel and meal reimbursements are generally provided biweekly or monthly. Physical exams and insurance are provided annually.

The stipend is set by law; other benefits are based on true costs, as determined by local sponsors.

C. Duration of benefits.

The projects are ongoing. No information is available on duration of individual volunteer service.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

The program has no provisions for categorical or automatic eligibility.

B. Counting assistance from other programs.

Cash income, including cash assistance, is counted in determining eligibility.

C. Overlapping authorities and benefits.

Other programs providing employment opportunities for low income elderly persons include the Foster Grandparents Program and the Senior Community Service Employment Program.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Children, Family, Drugs and Alcohol

House of Representatives

Committee on Education and Labor
    Subcommittee on Human Resources

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

House of Representatives

Committee on Government Operations

D. Federal legislation.

The enabling legislation for ACTION's Older American Volunteer Programs, which includes SCP, is Title II of the Domestic Volunteer Service Act of 1973 (DVSA), as amended (Pub. L. 93-113, October 1, 1973). The purpose of the Act was to provide a sound legislative foundation from which ACTION could more efficiently and more effectively carry out the programs transferred to it in July 1971.

From 1974 until 1981 the Senior Companion Program (SCP) was authorized under Section 211(b) as an Older American Community Service Program.

In Pub. L. 94-135, Congress moved generally to strengthen the Older American Volunteer Programs (OAVP) administered by ACTION by expanding authorizations for appropriations for the Older American programs, including SCP. The Act further provided that the Agency designate, in each state office, an "aging resource specialist" whose primary responsibility is to support the programs.

Pub. L. 95-478 provided a three-year extension of the OAVP programs (including SCP); permitted individuals with incomes up to 125 percent of the poverty guidelines to be Senior Companions; authorized a raise in the stipend for Senior Companions up to $2.00 per hour if appropriations were increased to make it possible without any reduction in the number of volunteers currently participating in the programs.

Pub. L. 97-35 established SCP as Part C of Title II and provided authority for joint sponsorship of FGP and SCP projects, but called for strengthening the identity of two programs. Congress encouraged the agency to ensure that OAVP project sponsors were kept informed and consulted on programmatic changes affecting their programs.

Pub. L. 98-288, the 1984 amendments to the DVSA, provided that whenever non-federal contributions to local OAVP projects are in excess of the required match, the Agency may not restrict the manner in which such contributions are expended; increased the stipend for Senior Companions from $2.00 to $2.20 per hour; and created the Senior Companion Homebound Elderly Demonstration Projects to address the needs of the homebound and deinstitutionalized elderly by recruiting unpaid volunteer trainers to train Senior Companions to assess the needs of older persons and to provide home care services.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
72.008 SENIOR COMPANIONS

	Federal Obligations	
United States	$17,622	(1)
Alabama	$428	
Alaska	$165	
Arizona	$313	
Arkansas	$299	
California	$938	
Colorado/Wyoming	$529	
Connecticut	$363	
Florida	$607	
Georgia	$223	
Idaho	$197	
Illinois	$439	
Indiana	$279	
Iowa	$234	
Kansas	$366	
Kentucky	$224	
Louisiana	$227	
Maine	$231	
Maryland/Delaware	$597	
Massachusetts	$541	
Michigan	$586	
Minnesota	$294	
Mississippi	$198	
Missouri	$416	
Montana	$322	
N. Carolina	$391	
Nebraska	$207	
Nevada	$226	
New Hampshire	$429	
New Jersey	$192	
New Mexico	$194	
New York	$886	
No. Dak./So. Dak.	$416	
Ohio	$1,225	
Oklahoma	$210	
Oregon	$435	
Pennsylvania	$195	
Rhode Island	$194	
S. Carolina	$200	
Tennessee	$351	
Texas	$712	
Utah	$460	
Virginia/D.C.	$390	
Washington	$416	
W. Virginia	$197	
Wisconsin	$213	
Puerto Rico/V.I.	$294	
Hawaii/Guam/Samoa	$175	

Data Sources: ACTION administrative records.

(1) Does not include grantee funds. Federal funds may equal up to 90 percent of total.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
72.008 SENIOR COMPANIONS

	Federal Obligations	(1)
United States	$13,352	
Alabama	$533	
Alaska	$122	
Arizona	$90	
Arkansas	$196	
California	$731	
Colorado/Wyoming	$419	
Connecticut	$247	
Florida	$407	
Georgia	$203	
Idaho	$46	
Illinois	$477	
Indiana	$225	
Iowa	$208	
Kansas	$234	
Kentucky	$200	
Louisiana	$208	
Maine	$218	
Maryland/Delaware	$405	
Massachusetts	$391	
Michigan	$218	
Minnesota	$211	
Mississippi	$180	
Missouri	$351	
Montana	$204	
N. Carolina	$171	
Nebraska	$187	
Nevada	$202	
New Hampshire	$390	
New Jersey	$181	
New Mexico	$174	
New York	$619	
No. Dak./So. Dak.	$349	
Ohio	$1,067	
Oklahoma	$192	
Oregon	$426	
Pennsylvania	$251	
Rhode Island	$175	
S. Carolina	$180	
Tennessee	$161	
Texas	$385	
Utah	$222	
Virginia/D.C.	$363	
Washington	$260	
W. Virginia	$186	
Wisconsin	$192	
Puerto Rico/V.I.	$184	
Hawaii/Guam/Samoa	$111	

Data Sources: ACTION administrative records.

(1) Does not include grantee funds. Federal funds may equal up to 90 percent of total.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
72.008 SENIOR COMPANIONS

	Volunteers		Handicapped or Disabled	
United States	5,998	(1)	593	(2)
Alabama	144		11	
Alaska	58		5	
Arizona	63			
Arkansas	60		2	
California	404		43	
Colorado/Wyoming	154		70	
Connecticut	148		13	
Florida	157		17	
Georgia	196		2	
Idaho	74			
Illinois	145			
Indiana	86		17	
Iowa	89		3	
Kansas	80		24	
Kentucky	78		7	
Louisiana	63		2	
Maine	65		9	
Maryland/Delaware	134		3	
Massachusetts	158		1	
Michigan	130		18	
Minnesota	207		15	
Mississippi	60		1	
Missouri	129		26	
Montana	79		3	
Nebraska	70			
Nevada	70		17	
New Hampshire	60		2	
New Jersey	109		4	
New Mexico	72			
New York	649		93	
N. Carolina	63		23	
No. Dak./So. Dak.	133		18	
Ohio	204		18	
Oklahoma	70		12	
Oregon	109		18	
Pennsylvania	349		21	
Rhode Island	71		1	
S. Carolina	60			
Tennessee	60		4	
Texas	148		10	
Utah	73		4	
Vermont	80		4	
Virginia/D.C.	139		5	
Washington	92		38	
W. Virginia	61		4	
Wisconsin	71		1	
Puerto Rico/V.I.	65		2	
Hawaii/Guam/Samoa	99		2	

Data Sources: ACTION administrative records.

(1) Volunteers as of 3/31/85. All are aged 60 or older.
(2) Handicapped means having physical or mental impairments which substantially limit one or more major life activities.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
72.008 SENIOR COMPANIONS

	Volunteers		Handicapped or Disabled	
United States	5,271	(1)	541	(2)
Alabama	127		11	
Alaska	72		10	
Arizona	60			
Arkansas	60		1	
California	252		38	
Colorado/Wyoming	150		60	
Connecticut	151		18	
Florida	143		16	
Georgia	122		2	
Idaho	67			
Illinois	149		1	
Indiana	86		21	
Iowa	88		1	
Kansas	74		20	
Kentucky	83		10	
Louisiana	63			
Maine	76		9	
Maryland/Delaware	134		1	
Massachusetts	122		1	
Michigan	86		16	
Minnesota	202		10	
Mississippi	60		1	
Missouri	130		25	
Montana	78			
Nebraska	69		1	
Nevada	69		9	
New Hampshire	64		8	
New Jersey	73		3	
New Mexico	40			
New York	435		67	
N. Carolina	64		24	
No. Dak./So. Dak.	121		1	
Ohio	200		15	
Oklahoma	77		14	
Oregon	145		8	
Pennsylvania	302		28	
Rhode Island	66		3	
S. Carolina	60		1	
Tennessee	60		4	
Texas	151		5	
Utah	73		29	
Vermont	79		2	
Virginia/D.C.	128		4	
Washington	98		34	
W. Virginia	67		4	
Wisconsin	75		2	
Puerto Rico/V.I.	45		2	
Hawaii/Guam/Samoa	75		1	

Data Sources: ACTION administrative records.

(1) Volunteers as of 3/31/84. All are aged 60 or older.
(2) Handicapped means having physical or mental impairments which substantially limit one or more major life activities.

XI. HISTORICAL DATA (Dollars in thousands)
72.008 SENIOR COMPANIONS

Federal Fiscal Year	Total Federal Appropriations	Total State Obligations	Volunteers	(1)
1985	$18,086	$4,591	5,300	
1984	$13,516	$3,518	3,940	
1983	$11,986	$3,719	3,960	
1982	$12,170	$2,851	3,977	
1981	$12,824	$2,066	4,114	
1980	$10,084	$2,039	3,820	
1979	$6,976		3,350	
1978	$6,940		3,000	
1977	$3,800		2,750	
1976	$4,302		1,800	
1975	$1,595		1,000	
1974	$2,279		935	
1973				
1972				
1971				
1970				
1969				
1968				
1967				
1966				
1965				
1964				
1963				
1962				
1961				
1960				

Data Sources: ACTION administrative records.

(1) Based on Federal Volunteer Service Years funded FY '80-85; Volunteer End Strength FY '74-79.

PELL GRANTS

I. PROGRAM SUMMARY

Pell Grants, the largest source of federal student grant assistance for higher education, provide funds to defray the educational expenses of undergraduate students. Funds are allocated by the Department of Education directly to participating schools; state and local governments play no direct role in the program. The participating schools are responsible for disbursing the grants to the students found eligible by the Department of Education.

In FY 1985, about 2.8 million students received Pell Grants at a total federal cost of about $3.6 billion. For the 1985-86 school year, the minimum grant was $200, the maximum was $2,100, and the average grant was about $1,230. Over the past 10 years, the program has grown significantly: the number of students assisted has increased about 128 percent and federal costs, in constant dollars, have increased about 98 percent. Pell Grants are funded entirely by the federal government.

Eligibility is limited to undergraduate students enrolled in an eligible institution and who meet a needs test, among other requirements. Need is established annually based on a system approved by Congress and administered by the Department of Education. The system takes into account the income and assets of students and their families and provides a schedule of amounts that they might reasonably be expected to contribute toward educational costs. Recipients must maintain satisfactory academic progress and not be in default or owe refunds on other federal student loans or grants. Males must also register with the Selective Service.

Grant amounts are generally determined by subtracting the expected family contribution from the maximum award for that year. The grant, moreover, may not exceed 60 percent of the cost of attendance or the total cost of attendance minus the expected family contribution. Grants are disbursed either by check or by directly applying the funds to the student's account at school.

II. ADMINISTRATION

A. Program name: Pell Grants.

B. Catalog of Federal Domestic Assistance No.: 84.063
Budget account number(s): 91-0200-0-1-502.

C. Current authorizing statute: Higher Education Act of 1965 (Pub. L. 89-329), 20 U.S.C. 1070, as amended most recently by the Higher Education Amendments of 1986 (Pub. L. 99-498).

D. Location of program regulations in the Code of Federal Regulations: 34 CFR Part 690.

E. Federal administering agency: Office of Student Financial Assistance, Office of Postsecondary Education, Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: Institutions of higher education.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Funds are allocated to participating institutions of higher education based on the number of recipients and award amounts in the prior year and adjusted based on current demand. There is no matching requirement. If appropriations are insufficient to finance the authorized program, the Secretary must use limited discretionary authority to reduce awards to less needy students until resulting costs are fully financed.

I. Role of state and local governments in administering the program.

State and local governments play no direct role in the program. Some institutions of higher education are public, and, therefore, under state or local administration.

Institutions participating in the Pell Grant Program are responsible primarily for calculating the amount of the grant for each student, based on his or her Student Aid Index, cost of education, and enrollment status (full-time or part-time) and subsequently disbursing that grant to the student in a series of payments (at least two). Institutions also manage and account for the funds allocated to them for the purpose of making grants. Institutions must maintain certain records on each recipient and report to the Department on disbursements made. Institutions collect and retain certain affidavits required of recipients, such as the Statement of Selective Service Registration Compliance and the Statement of Educational Purpose. The institutions perform the determinations of whether the student meets all additional eligibility conditions.

J. Audit or quality control.

Program regulations require periodic audits of the institutions, which are liable for any awards made not in accordance with the law and regulations.

A study of the program in 1982-83 identified a significant amount of error, both by schools and by students. Absolute institutional error was estimated at $321 million (13 percent of total program expenditures) and net error by institutions was approximately $99 million (4 percent of expenditures). The net institutional error (overpayments minus underpayments) was approximately $39 per recipient. Absolute student error was estimated to be $328 million, with a net error of $217 million. Per recipient, the absolute error was about $129, while net error was about $86.

Penalties for errors include repayment of incorrect awards, limitations applied to the school's participation, suspension of the school's ability to participate, or termination of the school's participation in the program.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The Higher Education Act states that the purpose of this and other programs of student aid is to "assist in making available the benefits of postsecondary education to eligible students... in institutions of higher education."

B. Allocation of program funds among various activities.

Funds are for grants and administrative costs. Institutions receive an allowance of $5 for each Pell student to help defray the cost of administration.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual students are eligible.

B. Income eligibility standards.

The formulas used to determine the financial strength of the parents and/or applicant (and spouse) are called the Family Contribution Schedule.

The figure resulting from the formulas is called the Student Aid Index (SAI), and represents the theoretical amount of resources that the family can be expected to contribute toward the financing of postsecondary education. These formulas take into account all forms of taxable and untaxed income (except education financial aid) of the parents, student, and student's spouse, the number of household members, the number of household members in postsecondary education, federal and state income taxes paid, excessive medical or dental expenses, tuition paid for elementary and secondary education, employment expenses incurred when both parents work or there is a single head of household, the net value (i.e., less debts) of the home, farm, business, investments, cash and bank accounts, and one-half of annual GI bill or LEAP benefits received by the student. Various offsets are applied to income and assets, and the differences are assessed at different rates, depending on the level of income and dependency status. Special adjustments are made for items such as employment expenses, medical/dental expenses, tuition, and multiple students in postsecondary education.

Income is the primary factor considered in the formulas. After several offsets to account for basic subsistence expenses, taxes, and special nondiscretionary circumstances, the remaining "discretionary" income is assessed at various taxation rates. For the income of the parents of dependent students, these progressive rates, increasing at $5,000 income increments, are 11 percent, 13 percent, 18 percent, and 25 percent, respectively. The discretionary income of single independent applicants is taxed at 75 percent, and the income of all other independents at 25 percent.

To qualify for receipt of a Pell Grant, the SAI cannot exceed 1,900 (in 1985-86). The lower the SAI the greater the financial need, with an SAI of 0 the lowest (i.e., the most needy).

The following shows a percentage distribution of recipients in award year 1984-85, by total family income level.

Income Level	% of Total Recipients
Less than $ 3,000	23.4%
$ 3,001 - $ 9,000	36.3%
$ 9,001 - $15,000	29.7%
$20,001 - $30,000	9.3%
$30,001 or more	1.3%
	100.0%

The mean AGI reported by Pell Grant recipients (including 369,097 applicants who reported zero AGI) in award period 1984-85 was $9,245. The average total family income (including untaxed income and one-half GI Bill benefits) before all offsets for 1984-85 recipients was $8,908.

C. Other eligibility requirements.

Students must be enrolled in an institution meeting the following criteria:

- The institution is in a state (which includes U.S. territories and commonwealths);
- It admits as regular students only persons who have a high school diploma, or are beyond the age of compulsory school attendance of that school's state and have the ability to benefit from the training offered;
- The institution must be legally authorized to provide postsecondary education in that state;
- The program must lead to an associate or baccalaureate degree, or a certificate, or prepare students for gainful employment in a recognized occupation;
- The institution must be accredited by a nationally recognized accrediting agency or association;
- Proprietary (profit-making) or nonprofit vocational institutions must have been in existence for two years.

In addition, students must be U.S. citizens or permanent residents and must carry at least a half-time course load.

D. Other income a recipient unit is required or expected to spend to receive benefits.

There is no specific spending requirement. The amount varies based on specific family financial circumstances.

V. BENEFITS AND SERVICES

A. Program intake processes.

Each student applies for a Pell Grant on an annual basis by submitting one of the following applications:

- Application for Federal Student Assistance of the Department of Education;
- The Family Financial Statement of the American College Testing Program;
- The Financial Aid Form of the College Scholarship Service;
- The Application for Pennsylvania State Grant and Federal Student Aid of the Pennsylvania Higher Education Assistance Agency;
- The Application for Federal and State Student Aid of the Illinois State Scholarship Commission.

The four non-federal application forms collect the information required to calculate the SAI for the Pell Grant Program as well as the eligibility indices for the other Title IV programs. Upon receipt of its respective application from the student, each of the organizations enters the appropriate applicant data onto magnetic tape and, when a sufficient number of records have been entered, sends this tape to the Department of Education processing contractor. This contractor edits the data and computes the SAI for each applicant. The results of the editing and the SAI are then sent to the applicant in a document called the Student Aid Report.

The purpose of this process is to minimize the number of financial aid applications which a student must complete to be considered for the various federal, state, institutional, and private sources of aid available. One application suffices as the basis for awarding several forms of assistance.

B. Program benefits or services.

Grants are disbursed to the student either by a check or by directly applying the funds to the student's tuition and board or other account at the school. Payments must be made in equal amounts at least twice a year or, in the case of semester or quarter term schools, once each term.

The authorizing legislation limits the maximum amount of a grant that the student may receive in any given year. This maximum award has been set in recent years by the appropriations bill and has varied from year to year. For example, the maximum award in FY 1984 was $1,900, whereas since FY 1985 it has been $2,100. In general, the actual award a student may receive is determined by subtracting the expected family contribution from the maximum award for that year.

The grant is further limited in that it may not exceed 60 percent of the student's cost of attendance. Further, no Pell Grant may exceed the student's "need," defined as the cost of attendance minus the expected family contribution. The law also states that no award may be made that is less than $200. Finally, the amount a given student may receive must be reduced in accordance with his enrollment status if he or she is enrolled on a less than full-time basis.

These conditions are determined and applied by the institution of higher education which the recipient attends or plans to attend and is determined on a student by student basis.

C. Duration of benefits.

Pell Grant eligibility may not exceed five academic years, in the case of a program normally requiring four years or less, or six academic years, in the case of a program normally requiring more than four years.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility for this program.

None.

B. Counting the assistance from other programs.

Any cash benefit that is received from another assistance program that is noneducational in its specific purpose is considered income for purposes of Pell Grant.

This includes benefits received from:

- All Social Security Administration programs;
- Job Training Partnership Act noneducational benefits;
- Veterans' Administration noneducational benefits;
- Aid to Families with Dependent Children;
- One-half of annual veterans' educational benefits received under Chapters 34 and 35 of title 38, U.S.C.;

Benefits received from other educational aid programs reduce need and thereby reduce the Pell Grant amount as well.

C. Overlapping authorities and benefits.

Federal low income assistance programs which provide assistance to all or a large part of the same population are:

- State Student Incentive Grants;
- Supplemental Educational Opportunity Grants;
- Perkins Loans (formerly National Direct Student Loans);
- Guaranteed Student Loans;
- College Work Study;

In general, since the Pell Grant Program is focused on the financially needy, it will by definition overlap to some extent with other programs serving low income populations. Thus, some overlap in the populations served by programs such as Pell Grants, Aid to Families with Dependent Children, and Food Stamps is to be expected. This is not to say there is "duplication," between Pell Grants and these programs, because the funds work to different purposes in meeting a family's needs.

There is also some degree of overlap in the populations served by the various federal student aid programs because the limitations these programs place on need analysis and award limits are intended to ensure that federal subsidies pay for only a portion of the student's college expenses. For example, a Pell Grant may not exceed 60 percent of the student's cost of education and may not exceed $2,100 (most students receive considerably less based on their SAI). Since costs of education are frequently much higher than this, the Pell Grant is supplemented with combinations of parental and student resources, grants, loans or work-study income. Each financial aid "package" for a specific student is custom fit to the student's financial circumstances and the types and amounts of financial aid available at that institution. Thus, at a low-cost school, the Pell Grant may be sufficient to meet more than half of the student's need, whereas at a higher-cost school, the student may require two or more forms of assistance, such as GI Bill, loans, grants, etc.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Education, Arts and Humanities

House of Representatives

Committee on Education and Labor
Subcommittee on Postsecondary Education

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education, and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

Higher Education Act of 1965 - Established the Educational Opportunity Grant (EOG) Program, a predecessor to the Supplemental Educational Opportunity Grant (SEOG) and Basic Educational Opportunity Grant (BEOG), later renamed the Pell Grant Program. EOG was a need-based, campus-based postsecondary education financial aid program.

Education Amendments of 1972 - Established the Basic Educational Opportunity Grant (BEOG) Program, later renamed the Pell Grant Program, as a need-based, quasi-entitlement program.

Education Amendments of 1976 - Raised the maximum award to $1,800; established the "multiple data entry" application processing system; modified the definition of "institution of higher education"; enacted provisions for information dissemination activities to prospective and enrolled students regarding federal financial assistance by institutions and the Office of Education (DHEW); added as an offset to income the tuition expenses of other dependent children enrolled in elementary or secondary education.

Middle Income Student Assistance Act (1978) - Expanded eligibility in the BEOG (Pell Grant) Program for dependent students whose parents (with a family of four) received up to $25,000 (note: this was a general guideline, not a precise limit) by lowering income tax rates and raising asset reserves; made treatment of assets of married independent applicants and independents with dependents identical to that of the parents of dependent applicants; increased the family size offset of single independent applicants to cover expenses for the entire year.

Education Amendments of 1980 - Raised the maximum award to $1,900 and set the maximum Pell Grant amounts out to 1985-86 and indexed the "percent of cost" limit on awards to the maximum award. Modified the formula for reducing awards in less-than-full-funding circumstances; renamed "Pell Grants"; removed any time limit on receipt of grant; established administrative allowance to institutions of $10 per recipient; liberalized cost of education rules; mandated common need analysis for Pell Grants and "campus-based" programs (never implemented); provided for a free application form; specified that recipients must maintain satisfactory academic progress and not be in default of a federal loan or owe Federal financial aid funds at the same institution.

1981 Supplemental Appropriations and Rescissions Act - Set maximum award for 1981-82 at $1,750; reduced each Pell Grant by $80; suspended authorization of administrative allowance for 1981-82; waived liberalized cost of attendance rules for 1981-82.

Omnibus Budget Reconciliation Act of 1981 - Set authorization ceilings for FY 1983, FY 1984, and FY 1985 at $2.650 billion, $2.800 billion and $3.000 billion, respectively; authorized administrative allowance for institutions of $5 per recipient for 1982-83.

Joint Continuing Resolution for FY 1982 - "Decoupled" the need analysis formulas of the Pell Grant and "campus-based" programs; modified 1982-83 award formula to subtract GI Bill and student social security educational benefits from cost of education in determining award amount; gave Secretary authority to set cost of education rules for 1983-84.

Defense Authorization Act - Required certain individuals to have registered with the Selective Service in order to receive Pell Grants and other Title IV aid.

Supplemental Appropriations for FY 1982 - Specified that only one-third of the GI Bill be subtracted from cost of education in determining award amounts in 1982-83.

Student Financial Assistance Technical Amendments of 1982 - Specified a maximum award of $1,800, with a 50 percent of cost limit on awards; extended 1982-83 cost of education rules to 1983-84 and 1984-85; continued separate need analyses for Pell Grant and campus-based programs through 1984-85; specified the procedure by which family size offset are to be indexed by the CPI; indexed family size offsets for 1983-84 by 7.3 percent and rounded to the nearest $100; specified the use of "recent and relevant data" when modifying family contribution schedules for 1983-84, otherwise maintaining 1982-83 schedules; established a "linear" method of reducing awards (down to $100 minimum) when there are insufficient funds to fully fund the Program.

Student Loan Consolidation and Technical Amendments of 1982 - Revised cost of education rules for 1984-85 to raise room and board allowance for students living off-campus but not with a parent up to a maximum of $1,600, as determined by the institution; extended separate need analyses through 1985-86; extended 1983-84 family contribution schedules through 1985-86; extended definition of independent student through 1985-86.

Education Amendments of 1984 - Extended cost of education rules, family contribution schedules, and independent student definition through 1986-87.

Appropriations Act of 1985 - Set maximum award at $2,100 for 1985-86.

Consolidated Omnibus Budget Reconciliation Act of 1985 - Excluded from income any proceeds from the sale of a farm or business if the sale results from a foreclosure, forfeiture, or bankruptcy; prevents student from receipt of Title IV funds if in default or owes money for a Title IV program at any institution.

Higher Education Amendments of 1986 - Codified Pell need analysis in statute and liberalized provisions by adding a deduction for state and local income taxes paid. Set cost-of-attendance percent coverable by Pell at 60 percent, independent of maximum award. Provided for maximum award of $2,300 in FY 1987, increasing by $200 each year thereafter (FY 1987 maximum then set at $2,100 in appropriation action). Extended eligibility to less-than-half-time students beginning in FY 1989. Reinstated a time limit on eligibility (5 years for a 4-year program, 6 years for program of more than 4 years). Authorized student aid administrators to revise Pell awards at their discretion.

E. Major federal implementing regulations and regulatory changes.

November 6, 1974 - Set forth general definitions and rules used in the BEOG Program, student eligibility criteria, allowable educational costs, duration of student eligibility, application procedures, formulas for calculation of award amounts, and extraordinary circumstances affecting the expected family contribution determination (whereby estimated income, rather than actual prior year data, would be used to compute eligibility).

December 1, 1977 - Set forth regulations implementing the student consumer information requirements of the Education Amendments of 1976; established rules and procedures whereby institutions will disseminate information to students concerning the academic programs of the institution and the financial assistance programs available to students at that institution.

December 23, 1977 - Established the procedures which the Commissioner of Education could use to suspend, limit, or terminate the eligibility of an institution for programs under Title IV of the Higher Education Act (BEOG, NDSL, GSL, SEOG, and College-Work Study) when the institution is believed to have violated applicable laws or regulations.

January 29, 1979 - Revised and consolidated all BEOG regulations other than the Family Contributions Schedules; more clearly defined the administration of the program and implemented relevant portions of the Education Amendments of 1976 and the Middle Income Student Assistance Act; established regulatory basis for BEOG student validation effort whereby selected applicants must verify the accuracy of their reported data and can be denied aid if they fail to do so.

May 30, 1979 - Revision to 1979-80 family contribution formula to calculate the family size offset for single independent persons in the same manner as for other family sizes and to provide the same treatment of assets for independents with other dependents in the same manner as dependent students' parents.

September 28, 1979 - Established minimum standards regarding audits, financial responsibility, and administrative capabilities that an institution must meet to participate in BEOG and other programs authorized under Title IV of the Higher Education Act of 1965.

June 24, 1980 - Intended to reduce administrative burden of institutions, eliminate inequities affecting student applicants, and made technical changes to correct or clarify certain regulation language.

December 30, 1980 - Implemented the provisions of the Education Amendments of 1980, such as renaming the program as Pell Grants, referencing the newly established Department of Education and the Secretary, eliminating the four-year limit on eligibility, tying the percent of cost limit on awards to the maximum award amount, and establishing in regulations the award reduction formula in cases when the program is not fully funded.

December 31, 1980 - Established definitions, special terms, and provisions that are common to all Title IV student financial assistance programs in general program areas, as well as special areas such as audit standards, financial responsibility, disposition of refunds, student consumer information services, and procedures to fine, limit, suspend, or terminate institutions from the program.

January 21, 1981 - Implemented provisions of the Education Amendments of 1980 to provide more liberal treatment of costs of education and prohibit receipt of Title IV funds if student is already in default of and Title IV funds at the same institution.

July 22, 1981 - Revoked and replaced the cost of education regulations published on January 21, 1981, and reinstated previous treatment.

July 6, 1983 - Announced the schedule for implementation of the "Solomon Amendment" to the FY 1983 Defense Department Authorization Act that required students to fulfill Selective Service registration obligations as a condition of Title IV eligibility.

October 6, 1983 - Specified new conditions for the establishment and enforcement of satisfactory academic progress standards.

June 28, 1985 - Implemented Selective Service registration requirement provisions.

March 14, 1986 - Comprehensive rules for the selection and verification of income and family information provided by applicants; key features included targeting on error-profile, verification of gross income, household size, number of family members enrolled in postsecondary education, untaxed income, Social Security benefits, and independent status.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
84.063 PELL GRANTS

	Grants to Institutions
United States	$3,634,657
Alabama	$70,775
Alaska	$2,050
Arizona	$80,072
Arkansas	$39,921
California	$279,730
Colorado	$38,674
Connecticut	$21,223
Delaware	$5,018
D. C.	$11,684
Florida	$123,198
Georgia	$57,629
Hawaii	$6,812
Idaho	$14,824
Illinois	$181,085
Indiana	$79,865
Iowa	$61,569
Kansas	$40,919
Kentucky	$63,269
Louisiana	$76,519
Maine	$14,647
Maryland	$42,943
Massachusetts	$68,875
Michigan	$135,923
Minnesota	$84,076
Mississippi	$51,099
Missouri	$82,274
Montana	$16,960
Nebraska	$31,371
Nevada	$8,046
New Hampshire	$7,774
New Jersey	$69,717
New Mexico	$20,241
New York	$416,881
N. Carolina	$67,047
N. Dakota	$19,618
Ohio	$166,282
Oklahoma	$44,854
Oregon	$46,203
Pennsylvania	$163,193
Rhode Island	$12,326
S. Carolina	$43,005
S. Dakota	$23,222
Tennessee	$72,220
Texas	$143,482
Utah	$30,556
Vermont	$6,963
Virginia	$60,078
Washington	$59,780
W. Virginia	$27,504
Wisconsin	$77,569
Wyoming	$5,529
Guam	$1,478
Puerto Rico	$257,537
Virgin Islands	$549

Data Sources: Pell Grant Management Reports, 1985-86.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
84.063 PELL GRANTS

	Grants to Institutions
United States	$3,037,551
Alabama	$58,793
Alaska	$1,581
Arizona	$53,934
Arkansas	$33,116
California	$226,385
Colorado	$31,964
Connecticut	$19,033
Delaware	$4,543
D. C.	$10,782
Florida	$105,869
Georgia	$48,610
Hawaii	$5,915
Idaho	$11,791
Illinois	$152,418
Indiana	$66,358
Iowa	$47,521
Kansas	$33,508
Kentucky	$53,911
Louisiana	$55,620
Maine	$13,513
Maryland	$37,939
Massachusetts	$68,004
Michigan	$120,592
Minnesota	$68,357
Mississippi	$43,239
Missouri	$65,781
Montana	$12,793
Nebraska	$25,255
Nevada	$5,534
New Hampshire	$8,194
New Jersey	$65,567
New Mexico	$16,982
New York	$371,257
N. Carolina	$57,758
N. Dakota	$15,253
Ohio	$138,444
Oklahoma	$35,253
Oregon	$37,714
Pennsylvania	$146,820
Rhode Island	$12,834
S. Carolina	$37,791
S. Dakota	$18,433
Tennessee	$62,392
Texas	$112,878
Utah	$24,739
Vermont	$6,968
Virginia	$52,005
Washington	$45,487
W. Virginia	$23,688
Wisconsin	$63,598
Wyoming	$4,235
Guam	$1,236
Puerto Rico	$198,925
Virgin Islands	$442

Data Sources: Pell Grant Management Reports, 1984-85.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.063 PELL GRANTS

		Student Recipients	(1)
United States		2,807,278	
Alabama		59,136	
Alaska		1,608	
Arizona		63,430	
Arkansas		31,677	
California		224,344	
Colorado		29,517	
Connecticut		17,611	
Delaware		3,964	
D. C.		9,099	
Florida		96,707	
Georgia		44,698	
Hawaii		5,446	
Idaho		11,207	
Illinois		143,430	
Indiana		63,587	
Iowa		45,940	
Kansas		32,936	
Kentucky		49,879	
Louisiana		57,965	
Maine		11,232	
Maryland		34,734	
Massachusetts		53,994	
Michigan		108,669	
Minnesota		64,181	
Mississippi		39,227	
Missouri		63,230	
Montana		12,958	
Nebraska		25,594	
Nevada		7,039	
New Hampshire		6,320	
New Jersey		53,715	
New Mexico		16,595	
New York		312,148	
N. Carolina		55,054	
N. Dakota		14,414	
Ohio		128,074	
Oklahoma		38,112	
Oregon		35,096	
Pennsylvania		125,447	
Rhode Island		10,183	
S. Carolina		33,401	
S. Dakota		16,621	
Tennessee		54,502	
Texas		123,903	
Utah		23,133	
Vermont		5,658	
Virginia		47,615	
Washington		45,587	
W. Virginia		21,618	
Wisconsin		60,160	
Wyoming		4,665	
Guam		1,226	
Puerto Rico		160,534	
Virgin Islands		458	

Data Sources: Pell Grant Management Reports, 1985-86.

(1) Based on unduplicated annual count.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.063 PELL GRANTS

	Student Recipients	(1)
United States	2,825,970	
Alabama	60,145	
Alaska	1,579	
Arizona	52,290	
Arkansas	31,195	
California	221,014	
Colorado	29,223	
Connecticut	19,321	
Delaware	4,283	
D. C.	9,314	
Florida	101,978	
Georgia	46,594	
Hawaii	5,428	
Idaho	10,804	
Illinois	144,983	
Indiana	62,509	
Iowa	42,777	
Kansas	31,642	
Kentucky	49,863	
Louisiana	53,358	
Maine	11,726	
Maryland	37,643	
Massachusetts	59,507	
Michigan	114,407	
Minnesota	61,578	
Mississippi	40,419	
Missouri	61,567	
Montana	12,240	
Nebraska	24,603	
Nevada	5,652	
New Hampshire	7,347	
New Jersey	59,597	
New Mexico	17,130	
New York	327,371	
N. Carolina	56,459	
N. Dakota	13,367	
Ohio	127,511	
Oklahoma	34,864	
Oregon	34,067	
Pennsylvania	129,480	
Rhode Island	12,202	
S. Carolina	35,337	
S. Dakota	15,786	
Tennessee	57,936	
Texas	123,178	
Utah	22,685	
Vermont	6,135	
Virginia	48,210	
Washington	42,543	
W. Virginia	21,634	
Wisconsin	59,324	
Wyoming	4,225	
Guam	1,765	
Puerto Rico	159,700	
Virgin Islands	475	

Data Sources: Pell Grant Management Reports, 1984-85.

(1) Based on unduplicated annual count.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
84.063 PELL GRANTS

	Cost Per Recipient
United States	$1,295
Alabama	$1,197
Alaska	$1,275
Arizona	$1,262
Arkansas	$1,260
California	$1,247
Colorado	$1,310
Connecticut	$1,205
Delaware	$1,266
D. C.	$1,284
Florida	$1,274
Georgia	$1,289
Hawaii	$1,251
Idaho	$1,323
Illinois	$1,263
Indiana	$1,256
Iowa	$1,340
Kansas	$1,242
Kentucky	$1,268
Louisiana	$1,320
Maine	$1,304
Maryland	$1,236
Massachusetts	$1,276
Michigan	$1,251
Minnesota	$1,310
Mississippi	$1,303
Missouri	$1,301
Montana	$1,309
Nebraska	$1,226
Nevada	$1,143
New Hampshire	$1,230
New Jersey	$1,298
New Mexico	$1,220
New York	$1,336
N. Carolina	$1,218
N. Dakota	$1,361
Ohio	$1,298
Oklahoma	$1,177
Oregon	$1,316
Pennsylvania	$1,301
Rhode Island	$1,210
S. Carolina	$1,288
S. Dakota	$1,397
Tennessee	$1,325
Texas	$1,158
Utah	$1,321
Vermont	$1,231
Virginia	$1,262
Washington	$1,311
W. Virginia	$1,272
Wisconsin	$1,289
Wyoming	$1,185
Guam	$1,206
Puerto Rico	$1,604
Virgin Islands	$1,198

Data Sources: Pell Grant Management Reports, 1985-86.

(1) Based on unduplicated annual count.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
84.063 PELL GRANTS

	Cost Per Recipient
United States	$1,075
Alabama	$978
Alaska	$1,002
Arizona	$1,031
Arkansas	$1,062
California	$1,024
Colorado	$1,094
Connecticut	$985
Delaware	$1,061
D. C.	$1,158
Florida	$1,038
Georgia	$1,043
Hawaii	$1,090
Idaho	$1,091
Illinois	$1,051
Indiana	$1,062
Iowa	$1,111
Kansas	$1,059
Kentucky	$1,081
Louisiana	$1,042
Maine	$1,152
Maryland	$1,008
Massachusetts	$1,109
Michigan	$1,054
Minnesota	$1,110
Mississippi	$1,070
Missouri	$1,068
Montana	$1,045
Nebraska	$1,026
Nevada	$979
New Hampshire	$1,115
New Jersey	$1,100
New Mexico	$991
New York	$1,134
N. Carolina	$1,023
N. Dakota	$1,141
Ohio	$1,088
Oklahoma	$1,011
Oregon	$1,107
Pennsylvania	$1,134
Rhode Island	$1,052
S. Carolina	$1,069
S. Dakota	$1,168
Tennessee	$1,077
Texas	$916
Utah	$1,091
Vermont	$1,136
Virginia	$1,079
Washington	$1,069
W. Virginia	$1,095
Wisconsin	$1,072
Wyoming	$1,002
Guam	$700
Puerto Rico	$1,233
Virgin Islands	$930

Data Sources: Pell Grant Management Reports, 1984-85.

(1) Based on unduplicated annual count.

XI. HISTORICAL DATA (Dollars in thousands)
84.063 PELL GRANTS

Federal Fiscal Year	Total Federal Appropriation (1)	Student Recipients (2)
1985	$3,786,000	2,809,074
1984	$3,061,000	2,827,804
1983	$2,494,000	2,880,640
1982	$2,419,000	2,610,591
1981	$2,310,000	2,780,167
1980	$2,420,000	2,841,710
1979	$2,381,000	2,716,000
1978	$1,561,000	1,913,000
1977	$1,588,000	2,027,000
1976	$1,475,000	1,947,000
1975	$937,000	1,228,000
1974	$356,000	557,000
1973	$50,000	176,000
1972		
1971		
1970		
1969		
1968		
1967		
1966		
1965		
1964		
1963		
1962		
1961		
1960		

Data Sources: Office of Postsecondary Education, Program Book

(1) Pell Grant Program (formerly the Basic Educational Opportunity Grant (BEOG)) was established in Fiscal Year 1973.
(2) Based on unduplicated annual count.

GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

I. PROGRAM SUMMARY

The program provides federal funds to assist state and local educational agencies (LEAs) to meet the special needs of educationally deprived children. The federal Department of Education allocates funds to states according to a statutory formula; state educational agencies are responsible for administering the program and allocating funds. Local school districts that apply for and receive grants provide compensatory instruction for the educationally deprived children residing in areas with concentrations of children from low income families.

In FY 1985, $3.2 billion was appropriated and about 14,000 school districts serving about five million children received grants. The statutory formula for allocating funds is based primarily on the number of children from families with incomes below the 1980 federal poverty guidelines and on a share of the state's per pupil expenditures. There are no matching requirements for funds from nonfederal sources. Each LEA is guaranteed a minimum grant equal to at least 85 percent of its allocation the preceding year.

The funds are intended to supply educational services not available from other sources and therefore must supplement, not supplant, services normally supplied by states and localities. Typical uses of LEA funds are to provide remedial instruction in reading, language arts, and mathematics. Additional teachers and teacher aides provide more individualized instruction in these basic skills program. Compensatory services are also provided in summer programs to enable students to improve their basic skills.

Eligibility is limited to educationally deprived children residing in attendance areas in each LEA having the highest concentrations of children from low income families. An educationally deprived child is one who is not performing at the level appropriate for his or her grade as determined by the school on the basis of an annual needs assessment. While most services go to students in grades one through six, funds may also be used for educational preschool programs and for services to any student under age 21 who is not above grade 12.

II. ADMINISTRATION

A. Program name: Grants to Local Educational Agencies for Educationally Deprived Children.

B. Catalog of Federal Domestic Assistance No.: 84.010
Budget account number(s): 91-0900-0-1-501.

C. Current authorizing statute: Pub. L. 97-35 enacted August 13, 1981, as amended, December 8, 1983, by Pub. L. 98-211, and June 12, 1984, by Pub. L. 98-312.

D. Location of program regulations in the Code of Federal Regulations: 34 CFR Parts 200 and 204.

E. Federal administering agency: Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: States; insular areas.

G. Subgrantee (if any) receiving program funds to provide benefits: Local educational agencies.

H. Allocation of federal funds.

The LEA Chapter 1 program is federally funded through an annual appropriation. Chapter 1 funds are provided to state and local educational agencies in accordance with the provisions of the statute. There are no requirements that state or other funds, or commitments of time or services, be used to match federal funds. The federal funds are allocated as follows.

State and County Allocations. The Department of Education (ED) determines, in accordance with the statutory formula, the portion of the annual Chapter 1 appropriation that each county in the United States is eligible to receive. The formula includes the number of children aged 5-17 in: (1) families with incomes below the federal poverty income guidelines according to 1980 Census data; (2) families above the 1980 poverty guidelines receiving Aid to Families with Dependent Children (AFDC) payments; (3) institutions operated for neglected or delinquent children, other than those that are state-operated; (4) foster homes supported by public funds. The count of eligible children is multiplied by a share of the state's average expenditure per pupil, within certain limits prescribed in the law. To be eligible for funding, a school district or a county must have at least ten poor children. Adjustments are made to prevent the allocation to any county from being reduced to less than 85 percent of its allocation for the preceding year. A state's allocation is determined by aggregating the allocations of all counties within the state.

Local Educational Agency (LEA) Allocations. The State Educational Agencies (SEAs) are responsible for distributing each county's allocation among the LEAs within the county. The Chapter 1 regulations require that SEAs determine LEA allocations on the basis of the best available data on the number of children from low income families in the school districts. This permits the SEAs flexibility for selecting the data source for LEA allocations. They may use data that they determine are more accurate and more current than the 1980 Census poverty data required by the statutory formula for county allocations. Many SEAs, however, continue to use the statutory formula because of the unavailability of other poverty data for their school districts. Other SEAs determine LEA allocations using data from their AFDC or school lunch programs or a combination of those data and Census data. Under a "hold harmless" provision, each LEA is guaranteed a minimum grant of at least 85 percent of its preceding year's allocation.

The LEAs are notified of their allocations and plan Chapter 1 programs within the limits of the available funding. During each fiscal year, the SEA is required to determine if any LEA has received an allocation that exceeds the amount required for the operation of its Chapter 1 program. The SEA may reallocate these excess funds to other LEAs where the poverty population has increased and the Chapter 1 allocation is insufficient to meet the needs of the educationally deprived children.

Insular Areas. Of the Chapter 1 annual appropriation, one percent is authorized for the Territories and the Department of the Interior. There is a hold harmless provision to ensure at least the same level of funding as in FY 1976 for Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

Programs for Indian Children. Funds are allotted to the Secretary of the Interior to make payment to local educational agencies on behalf of out-of-state Indian children in the elementary and secondary schools of such agencies under special contracts with the Department of the Interior. Funds are also allocated to the Secretary of the Interior for elementary and secondary schools operated for Indian children by the Department of Interior.

I. Role of state and local governments in administering the program.

SEAs carry out such administrative responsibilities as suballocating funds to local educational agencies, approving applications, monitoring and auditing LEA Chapter 1 projects, providing technical assistance, ensuring compliance with the statute and regulations, collecting data and conducting evaluations, and reporting to the federal government.

LEAs design, carry out, and evaluate Chapter 1 projects providing educational services to educationally disadvantaged children in accordance with state and federal guidelines.

J. Audit or quality control.

In accordance with the Single Audit Act (31 U.S.C. 7501), state and local governments that receive $100,000 or more a year in federal financial assistance shall have an audit made for that year. State and local governments that receive between $25,000 and $100,000 a year shall have an audit made in accordance with OMB Circular No. A-128 or in accordance with federal laws and regulations governing the program in which they participate. Section 452 of the General Education Provision Act requires SEAs to repay to the United States amounts found not to be expended in accordance with the statute.

During FY 1985 and 1986, the Department issued final audit determinations on 15 audits of Title I/ Chapter 1 programs. The audits were conducted by federal and non-federal auditors. In addition, final determinations were issued on 12 single audits of SEAs which included Title I/ Chapter 1 funds. The auditors questioned or disallowed costs totaling $9.2 million; subsequently, the Department's determinations required states to refund $4.8 million. Principal violations in audits included: use of federal funds to supplant state and local funds; failure to document salaries of employees paid from more than one funding source; assignment of staff to unallowable activities; expenditure of lapsed funds.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

Chapter 1 programs provide financial assistance to state and local educational agencies to meet the special educational needs of educationally deprived children in areas with concentrations of children from low income families.

B. Allocation of program funds among activities.

Chapter 1 provides financial assistance to state and local educational agencies to operate supplemental educational programs to meet the special needs of educationally deprived children residing in low income areas. Instruction is provided primarily in basic skills: language arts, reading, and mathematics. There are no specific allocations for separate activities.

Chapter 1 funds may be used to purchase equipment if the equipment is needed for a Chapter 1 project and is acquired at a reasonable cost. The LEA must establish that the equipment is essential to the project and is not otherwise available. While most of the Chapter 1 funds provide services in grades one through six, Chapter 1 funds may be used for preschool programs, if the focus of such programs is on services designed to address the educational needs of the students and not just day care services.

According to the District Practices Study, school districts spent nearly 80 percent of their funds on instructional services in the 1981-82 school year.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

The unit for which eligibility is determined is an educationally deprived student residing in an eligible attendance area. An educationally deprived child is a child who is not performing at the level appropriate for his or her grade level. The LEA conducts an annual assessment of educational needs which identifies educationally deprived children in all public or private schools.

The LEAs are also responsible for providing compensatory education services to children residing in institutions for the neglected or delinquent that are not state-operated.

B. Income eligibility standards.

Individual means-tests are not applied. One factor in allocation of funds is the number of children from families with incomes below poverty guidelines.

C. Other eligibility requirements.

Chapter 1 funds may be used in eligible attendance areas for a preschool project for educationally deprived children under the age of five or for an educationally deprived child under 21 years of age who is not above grade 12.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

In accordance with the Chapter 1 regulations, an LEA that receives Chapter 1 funds shall operate Chapter 1 projects that are: (1) conducted in school attendance areas of the LEA having the highest concentration of low income children; or (2) located in all school attendance areas of the LEA if the LEA has a uniformly high concentration of low income children. An attendance area is the geographical area in which the children who are normally served by a school reside.

Educationally deprived children in the eligible areas are identified and selected for Chapter 1 services on the basis of an annual needs assessment. The resources available for each attendance area are determined by the LEA on the basis of the needs and numbers of children to be served.

In the 1984-85 school year, the number of children provided Chapter 1 services by LEAs was 4,919,112.

B. Program benefits or services.

Chapter 1 provides financial assistance to state and local educational agencies to operate supplemental educational programs to meet the special needs of educationally deprived children residing in low income areas.

Examples of how Chapter 1 funds may be used include:

- Remedial instruction in reading, language arts, and mathematics to improve the achievement level of children who are below grade level in these subjects.
- Summer programs which enable students to improve their achievement or which reemphasize material taught in regular classes.
- In-service training for teachers and aides to improve their services to Chapter 1 children. School districts, and not the federal government, decide which instructional approaches and methods to use.

Chapter 1 funds may be used for support services on an individual basis for needy children participating in a Chapter 1 program. These services may include food, medical and dental services, and clothing.

C. Duration of benefits.

No information on average duration of participation is available.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

None.

B. Counting assistance from other programs.

Individual means-tests are not applied.

C. Overlapping authorities and benefits.

Chapter 1 provides supplementary educational services to meet the special educational needs of educationally deprived children, including preschoolers, residing in low income areas. Chapter 1 children could also receive services under the Social Services Block Grant and Head Start, which may provide educational services. The Follow Through program may provide comprehensive educational services to school children as well.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Education, Arts, and Humanities

House of Representatives

Committee on Education and Labor
    Subcommittee on Elementary, Secondary, and Vocational Education

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representative

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

Title I of the Elementary and Secondary Education Act of 1965, Pub. L. 89-10 -- Financial Assistance to Meet Special Educational Needs of Children. Title I provided financial assistance through

SEAs to other state agencies and school districts to operate supplemental programs to meet the special educational needs of educationally deprived children who live in low income areas. Title I authorized funds for programs operated by LEAs which were designed to meet the special educational needs of children in low income areas and for programs operated by the Department of the Interior, Bureau of Indian affairs, for Indian children.

It also authorized funds for programs operated by state agencies for migratory children, handicapped children in state schools, or children who have left those schools and returned to schools in LEAs, children who reside in institutions for neglected or delinquent children, and to states to administer Title I programs.

Chapter 1 of the Education Consolidation and Improvement Act of 1981 Pub. l. 97-35 -- Financial Assistance to Meet Special Educational Needs of Disadvantaged Children. The statute supersedes Title I of the Elementary and Secondary Education Act but retains the same purpose and basic provisions.

Chapter 1 is intended to provide assistance for educationally deprived children but do so in a manner which will eliminate burdensome, unnecessary, and unproductive paperwork, and free the schools of unnecessary federal supervision, direction, and control. Chapter 1 also seeks to provide assistance without overly prescriptive regulations and administrative burdens which are not necessary for fiscal accountability and make no contribution to the instructional programs.

Chapter 1 was amended by Pub. L. 98-211 on December 8, 1983, and Pub. L. 98-312 on June 12, 1984. The former reinstated many provisions from the predecessor Title I program. The latter affected only the program for migratory children.

E. Major federal implementing regulations and regulatory changes.

The original Title I regulations, which appeared in the Federal Register (FR) on September 15, 1965, were published at 45 CFR Part 116 and defined the basic structure of the Title I program. The program was modified in a number of minor details throughout the 1960s and 1970s with attendant publications in the FR. Regulations to implement major legislative changes were published on January 19, 1981, in the FR as 45 CFR Parts 200 and 201. The first Chapter 1 regulations were published in FR on November 19, 1982 as 34 CFR Part 200. On April 30, 1985, 34 CFR Parts 200, 201, 203, and 204 dealing with migratory children and neglected and delinquent children in institutions, among other subjects, were published. Regulations implementing Pub. L. 98-211, which restored many provision from Title I, were published in FR on May 19, 1986.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (In thousands) (1)
84.010 GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

	Benefits	Administration (2)	Total
United States	$3,003,680	$34,414	$3,038,094
Alabama	$62,195	$611	$62,806
Alaska	$5,063	$225	$5,288
Arizona	$32,387	$381	$32,768
Arkansas	$35,959	$399	$36,359
California	$279,868	$3,389	$283,256
Colorado	$28,457	$319	$28,777
Connecticut	$32,460	$363	$32,823
Delaware	$8,458	$225	$8,683
D. C.	$13,628	$225	$13,853
Florida	$123,801	$1,422	$125,223
Georgia	$79,728	$805	$80,533
Hawaii	$9,605	$225	$9,830
Idaho	$8,623	$225	$8,848
Illinois	$146,758	$1,620	$148,378
Indiana	$44,606	$471	$45,077
Iowa	$26,856	$263	$27,120
Kansas	$21,276	$235	$21,512
Kentucky	$52,880	$545	$53,425
Louisiana	$89,818	$962	$90,780
Maine	$12,221	$225	$12,446
Maryland	$51,388	$518	$51,906
Massachusetts	$67,796	$788	$68,584
Michigan	$121,864	$1,298	$123,163
Minnesota	$36,810	$368	$37,178
Mississippi	$57,451	$577	$58,028
Missouri	$48,275	$485	$48,759
Montana	$9,644	$225	$9,869
Nebraska	$15,480	$225	$15,705
Nevada	$5,521	$225	$5,746
New Hampshire	$6,828	$225	$7,053
New Jersey	$99,222	$1,008	$100,230
New Mexico	$25,410	$265	$25,674
New York	$315,747	$3,295	$319,042
N. Carolina	$72,533	$751	$73,284
N. Dakota	$7,469	$225	$7,694
Ohio	$103,813	$1,055	$104,868
Oklahoma	$36,547	$373	$36,920
Oregon	$27,228	$358	$27,586
Pennsylvania	$143,490	$1,494	$144,985
Rhode Island	$10,662	$225	$10,887
S. Carolina	$46,953	$460	$47,413
S. Dakota	$9,181	$225	$9,406
Tennessee	$62,679	$610	$63,288
Texas	$183,937	$2,334	$186,270
Utah	$10,333	$225	$10,558
Vermont	$6,147	$225	$6,372
Virginia	$56,822	$560	$57,382
Washington	$34,578	$435	$35,013
W. Virginia	$28,329	$278	$28,608
Wisconsin	$43,907	$449	$44,355
Wyoming	$3,723	$225	$3,948
Guam	$1,717	$50	$1,767
Puerto Rico	$104,931	$1,019	$105,950
Virgin Islands	$3,354	$50	$3,404
American Samoa	$1,625	$50	$1,675
Northern Mariana	$687	$50	$737
Trust Territory	$5,037	$50	$5,087
BIA	$21,913		$21,913

Data Sources: Administrative records from annual state reports.

(1) Allocations to states for school year 1984-85.
(2) Administrative costs cover several Chapter 1 programs, including, in addition to LEAs, Handicapped Children in State Schools, Neglected or Delinquent Children in State Administered Institutions, and Migratory Children. Accurate estimates of administrative costs by program are not possible. LEAs total about 87 percent of all Chapter 1 grants.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (In thousands) (1)
84.010 GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

	Benefits	Administration	(2)	Total
United States	$2,727,588	$33,180		$2,760,768
Alabama	$62,749	$597		$63,347
Alaska	$4,974	$225		$5,199
Arizona	$28,922	$368		$29,290
Arkansas	$36,441	$397		$36,838
California	$251,680	$3,299		$254,979
Colorado	$26,171	$317		$26,488
Connecticut	$27,082	$325		$27,407
Delaware	$7,624	$225		$7,849
D. C.	$13,104	$225		$13,329
Florida	$97,504	$1,198		$98,702
Georgia	$72,478	$778		$73,257
Hawaii	$8,632	$225		$8,857
Idaho	$7,610	$225		$7,835
Illinois	$132,508	$1,604		$134,112
Indiana	$37,635	$426		$38,061
Iowa	$22,740	$237		$22,977
Kansas	$18,792	$225		$19,017
Kentucky	$50,623	$534		$51,158
Louisiana	$72,954	$776		$73,730
Maine	$10,484	$225		$10,709
Maryland	$45,995	$495		$46,490
Massachusetts	$61,123	$775		$61,898
Michigan	$101,309	$1,144		$102,453
Minnesota	$33,894	$360		$34,254
Mississippi	$60,134	$584		$60,718
Missouri	$47,240	$480		$47,720
Montana	$8,514	$225		$8,739
Nebraska	$14,205	$225		$14,430
Nevada	$4,478	$225		$4,703
New Hampshire	$5,881	$225		$6,106
New Jersey	$87,067	$939		$88,006
New Mexico	$23,294	$262		$23,556
New York	$280,628	$3,094		$283,722
N. Carolina	$73,350	$767		$74,117
N. Dakota	$6,683	$225		$6,908
Ohio	$94,264	$1,026		$95,290
Oklahoma	$30,267	$336		$30,603
Oregon	$23,745	$336		$24,081
Pennsylvania	$129,714	$1,451		$131,165
Rhode Island	$10,182	$225		$10,407
S. Carolina	$47,892	$460		$48,353
S. Dakota	$8,756	$225		$8,981
Tennessee	$56,689	$585		$57,274
Texas	$166,865	$2,327		$169,192
Utah	$9,290	$225		$9,515
Vermont	$4,898	$225		$5,123
Virginia	$56,981	$562		$57,544
Washington	$32,983	$445		$33,428
W. Virginia	$26,869	$262		$27,131
Wisconsin	$41,093	$443		$41,536
Wyoming	$3,432	$225		$3,657
Guam	$1,559	$50		$1,609
Puerto Rico	$108,000	$1,114		$109,114
Virgin Islands	$3,044	$50		$3,094
American Samoa	$1,475	$50		$1,525
Northern Mariana	$624	$50		$674
Trust Territory	$4,573	$50		$4,623
BIA	$19,893			$19,893

Data Sources: Administrative records from annual state reports.

(1) Allocations to states for school year 1983-84.
(2) Administrative costs cover several Chapter 1 programs, including, in addition to LEAs, Handicapped Children in State Schools, Neglected or Delinquent Children in State Administered Institutions, and Migratory Children. Accurate estimates of administrative costs by program are not possible. LEAs total about 86 percent of Chapter 1 grants.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.010 GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

		Students Served	(1)
United States		4,919,112	
Alabama		115,887	
Alaska		4,217	
Arizona		45,453	
Arkansas		68,859	
California		864,098	
Colorado		38,174	
Connecticut		55,646	
Delaware		10,468	
D. C.		15,808	
Florida		156,876	
Georgia		170,394	
Hawaii		12,278	
Idaho		15,767	
Illinois		148,873	
Indiana		100,385	
Iowa		26,287	
Kansas		38,593	
Kentucky		104,240	
Louisiana		109,572	
Maine		24,607	
Maryland		67,755	
Massachusetts		88,618	
Michigan		141,397	
Minnesota		59,369	
Mississippi		101,266	
Missouri		81,372	
Montana		12,613	
Nebraska		20,131	
Nevada		8,592	
New Hampshire		10,234	
New Jersey		160,500	
New Mexico		29,338	
New York		374,816	
N. Carolina		129,495	
N. Dakota		9,131	
Ohio		139,571	
Oklahoma		62,962	
Oregon		37,588	
Pennsylvania		228,333	
Rhode Island		13,443	
S. Carolina		51,822	
S. Dakota		12,877	
Tennessee		99,604	
Texas		297,748	
Utah		22,853	
Vermont		9,519	
Virginia		83,388	
Washington		60,822	
W. Virginia		33,384	
Wisconsin		63,328	
Wyoming		4,373	
Guam			
Puerto Rico		260,231	
Virgin Islands			
BIA	(2)	18,157	
Trust Terr.			

Data Sources: Administrative records from annual state reports.

(1) Based on unduplicated annual count of school year 1984-85
(2) Bureau of Indian Affairs schools.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.010 GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

		Students Served	(1)
United States		4,846,050	
Alabama		104,224	
Alaska		4,390	
Arizona		42,777	
Arkansas		67,055	
California		899,316	
Colorado		34,413	
Connecticut		50,959	
Delaware		8,795	
D. C.		13,075	
Florida		148,637	
Georgia		133,605	
Hawaii		10,092	
Idaho		15,845	
Illinois		146,371	
Indiana		95,876	
Iowa		29,441	
Kansas		35,205	
Kentucky		98,214	
Louisiana		98,909	
Maine		22,277	
Maryland		58,138	
Massachusetts		98,034	
Michigan		138,890	
Minnesota		54,385	
Mississippi		100,071	
Missouri		87,264	
Montana		11,764	
Nebraska		22,176	
Nevada		7,918	
New Hampshire		8,972	
New Jersey		142,010	
New Mexico		28,196	
New York		343,681	
N. Carolina		132,080	
N. Dakota		8,936	
Ohio		132,382	
Oklahoma		60,124	
Oregon		35,196	
Pennsylvania		226,200	
Rhode Island		12,867	
S. Carolina		58,025	
S. Dakota		12,740	
Tennessee		91,977	
Texas		306,230	
Utah		19,119	
Vermont		8,729	
Virginia		83,099	
Washington		60,552	
W. Virginia		31,518	
Wisconsin		64,275	
Wyoming		4,336	
Guam			
Puerto Rico		276,717	
Virgin Islands			
BIA	(2)	21,638	
Trust Terr.		38,605	

Data Sources: Administrative records from annual state reports.

(1) Based on unduplicated annual count of school year 1983-84.
(2) Bureau of Indian Affairs schools.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
84.010 GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

		Benefits	(2)
United States		$611	
Alabama		$537	
Alaska		$1,201	
Arizona		$713	
Arkansas		$538	
California		$324	
Colorado		$745	
Connecticut		$583	
Delaware		$808	
D. C.		$862	
Florida		$789	
Georgia		$468	
Hawaii		$782	
Idaho		$547	
Illinois		$986	
Indiana		$444	
Iowa		$1,022	
Kansas		$551	
Kentucky		$507	
Louisiana		$820	
Maine		$497	
Maryland		$758	
Massachusetts		$765	
Michigan		$862	
Minnesota		$620	
Mississippi		$567	
Missouri		$593	
Montana		$765	
Nebraksa		$769	
Nevada		$643	
New Hampshire		$667	
New Jersey		$618	
New Mexico		$866	
New York		$842	
North Carolina		$560	
North Dakota		$818	
Ohio		$744	
Oklahoma		$580	
Oregon		$724	
Pennsylvania		$628	
Rhode Island		$793	
S. Carolina		$906	
S. Dakota		$713	
Tennessee		$629	
Texas		$618	
Utah		$452	
Vermont		$646	
Virginia		$681	
Washington		$569	
W. Virginia		$849	
Wisconsin		$693	
Wyoming		$851	
Guam			
Puerto Rico		$403	
Virgin Islands			
Trust Terr.			
BIA		$1,207	

Data Sources: Administrative records from annual state reports.

(1) Based on unduplicated annual count of school year 1984-85 participation.
(2) State per-capita costs are based on amounts allocated to states and not on outlays. Chapter 1 administrative funds cover the costs of administering four programs: Basic Grants to Local Educational Agencies, Handicapped Children in State Schools, Neglected or Delinquent Children in State Administered Institutions, and Migratory Children. Estimates for administrative costs by program can not be realistically derived, therefore per-capita administrative costs for the Chapter 1 Basic Grants program are not presented.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
84.010 GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

		Benefits	(2)
United States		$563	
Alabama		$602	
Alaska		$1,133	
Arizona		$676	
Arkansas		$543	
California		$280	
Colorado		$760	
Connecticut		$531	
Delaware		$867	
D. C.		$1,002	
Florida		$656	
Georgia		$542	
Hawaii		$855	
Idaho		$480	
Illinois		$905	
Indiana		$393	
Iowa		$772	
Kansas		$534	
Kentucky		$515	
Louisiana		$738	
Maine		$471	
Maryland		$791	
Massachusetts		$623	
Michigan		$729	
Minnesota		$623	
Mississippi		$601	
Missouri		$541	
Montana		$724	
Nebraksa		$641	
Nevada		$568	
New Hampshire		$656	
New Jersey		$613	
New Mexico		$826	
New York		$817	
Ohio		$712	
Oklahoma		$503	
Oregon		$675	
Pennsylvania		$573	
Rhode Island		$791	
S. Carolina		$825	
S. Dakota		$687	
Tennessee		$616	
Texas		$545	
Utah		$586	
Vermont		$561	
Virginia		$686	
Washington		$545	
W. Virginia		$853	
Wisconsin		$639	
Wyoming		$792	
Guam			
Puerto Rico		$390	
Virgin Islands			
Trust Terr.			
BIA		$919	

Data Sources: Administrative records from annual state reports.

(1) Based on unduplicated annual count of school year 1983-84 participation.
(2) State per-capita costs are based on amounts allocated to states and not on outlays. Chapter 1 administrative funds cover the costs of administering four programs: Basic Grants to Local Educational Agencies, Handicapped Children in State Schools, Neglected or Delinquent Children in State Administered Institutions, and Migratory Children. Estimates for administrative costs by program can not be realistically derived, therefore per-capita administrative costs for the Chapter 1 Basic Grants program are not presented.

XI. HISTORICAL DATA (Dollars in thousands)
84.010 GRANTS TO LOCAL EDUCATIONAL AGENCIES FOR EDUCATIONALLY DEPRIVED CHILDREN

Federal Fiscal Year	Federal Budget Authority		Units Served	(1)
1985	$3,200,000		4,919,112	
1984	$3,003,680		4,846,050	
1983	$2,727,588		4,731,351	
1982	$2,562,753		4,866,108	
1981	$2,611,614		5,301,488	
1980	$2,731,682		5,402,311	
1979	$2,777,245			
1978	$2,356,000			
1977	$1,927,000			
1976	$1,721,000			
1975	$3,212,000	(2)		
1974	$1,446,166			
1973	$1,535,538			
1972	$1,406,615			
1971	$1,339,667			
1970	$1,219,166			
1969	$1,020,439			
1968	$1,100,288			
1967	$1,015,153			
1966	$1,164,529			
1965				
1964				
1963				
1962				
1961				
1960				

Data Sources: Department of Education, Administrative Records.

(1) Based on unduplicated annual count of children reported as served by local educational agencies.
(2) In FY 1975, the Title I program became forward funded; therefore, the FY 1975 appropriation included funding for both the 1974-75 school year ($1.587 billion) and the 1975-76 school year ($1.625 billion).

COLLEGE WORK-STUDY

I. PROGRAM SUMMARY

The College Work-Study (CWS) program provides federal funds to promote part-time employment to help postsecondary students meet their educational expenses. State and local governments play no direct role in administering the program, although some states appropriate funds to provide up to 20 percent of the compensation for recipients. The Department of Education allocates funds to institutions of higher learning that make eligibility determinations based primarily on financial need and arrange employment for their students.

In FY 1985, about 788,000 students were employed under CWS at a total federal cost of about $553 million. The annual appropriation of federal funds is a fixed amount which is allocated among about 3,300 participating institutions according to a formula that provides for minimum funding with supplements based on institutional need. The institutions provide at least 20 percent of the compensation paid to the student-workers. This match will rise to 30 percent by FY 1990.

The CWS law authorizes federally subsidized wages for undergraduate, graduate, and professional students who are enrolled in a regular college program and who have demonstrated financial need. The work may be for the institution itself or for any nonprofit organization under an arrangement with the institution. Recent statutory changes allow employment at for-profit private schools and firms as well. Compensation must be paid at a rate at least equal to the federal minimum wage. In FY 1985, the average federal payment per student was about $877 for the year.

The monetary value of CWS employment is included as part of a student aid package and the total package may not exceed the cost of education in a given year. Thus, while there are a number of other federal programs to help meet the costs of postsecondary education, and while many CWS student-workers receive benefits under these other programs, there is little duplication of benefits.

The CWS program was authorized in 1964 as part of the Economic Opportunity Act and originally was administered as a delegated poverty program. It was subsequently transformed into a student financial aid program with a special orientation toward students from low income families. This orientation is currently reflected in the CWS support for the Presidential initiative on combating adult illiteracy. Some CWS funds have been reallocated to institutions that sponsor adult literacy programs and employ students to help others learn to read and write.

II. ADMINISTRATION

A. Program name: College Work-Study.

B. Catalog of Federal Domestic Assistance No.: 84.033
Budget account number(s): 91-0200-0-1-502.

C. Current authorizing statute: Sec. 441-447 of Public Law 99-498, Title IV, 79 Stat. 1219, as amended (42 U.S.C 2751-2756b).

D. Location of program regulations in the Code of Federal Regulations: 34 CFR Part 675.

E. Federal administering agency: Office of Student Financial Assistance, Office of Postsecondary Education, Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: Institutions of postsecondary education.

G. Subgrantee (if any) receiving program funds to provide benefits: Nonprofit and private for-profit organizations.

H. Allocation of federal funds.

Funds are allocated to institutions on the basis of a prior year's expenditures and demonstrated need for additional funding. Institutions award funds to student on the basis of financial need as determined by a system of need analysis approved by the Secretary. Details of the institutional funding procedures are in Sections 675.3 to 675.7 of the College Work-Study program regulations. The federal share of compensation paid to students normally does not exceed 80 percent and will drop to no more than 70 percent by FY 1990. The remaining share must be paid by the institution or the employer. Funds are awarded for use by participating institutions for one award year at a time following the year of application.

I. Role of state and local governments in administering the program.

The Department of Education allots funds to institutions of postsecondary education and the institutions administer the program. State and local governments do not play a direct role in administering this program. Some state governments provide appropriated funds for institutional shares.

Institutional responsibilities in administering this program include: (1) receiving applications from students or prospective students requesting financial assistance; (2) determining eligibility which includes an assessment of need; (3) making awards; (4) placing students and negotiating employer contracts; (5) verifying selected applicants' application data; (6) paying or ensuring payments to students; (7) monitoring program activities; (8) establishing and maintaining records; (9) reporting program activity.

J. Audit or quality control.

There is no procedure established by statute or regulation for standards of administrative efficiency or for calculating an error rate for the CWS program.

Regulations governing the CWS program do provide for standards of compliance. The Student Assistance General Provisions regulations provide for biannual audits and these audits must be conducted in accordance with the Comptroller General's standards. Copies of audits are provided to the Office of the Inspector General and the Office of Student Financial Assistance, Audit Review Branch, of the Department of Education.

All participating institutions are subject to compliance audits and program reviews. Violation of the regulations may be grounds for suspension, fines, limitations, termination, or repayment of liabilities.

Fines of $291,605 were assessed against 23 institutions nationally during FY 1985. Six limitation agreements were signed and 14 termination actions were undertaken.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The objective of CWS is to stimulate and promote the part-time employment of students, particularly students who are in need of earnings from employment to pursue courses of study at eligible institutions.

B. Allocation of program funds among activities.

Work must be performed for an institution itself, in the public interest for a federal, state, or local public agency, for a private nonprofit organization, or for private for-profit firms.

In FY 1985, less than 5 percent of funds to grantees were used for administrative costs and the remainder was for student compensation.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual students are eligible.

B. Income eligibility standards.

There are no gross income limits used in determining the eligibility for a College Work-Study award. Awards are based upon a demonstrated need (i.e., the difference between the costs of education and other resources available to the student, including an expected family contribution).

The expected family contribution from a student is calculated by measuring the family income and assets and using national norms to develop an expected contribution. Assistance of other types (i.e., from other relatives, local or state agencies, and other organizations) is considered as a resource if available to the aid applicant.

C. Other eligibility requirements.

A student is eligible to receive assistance if he or she is: (1) a U.S. citizen or national, or is a permanent resident of the U.S., or is in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident or is a permanent resident of the Trust Territory of the Pacific Islands; (2) enrolled or accepted for enrollment at an institution of higher education; (3) determined to have substantial financial need; (4) maintaining satisfactory progress in a course of study; (5) not obligated to repay a refund on a grant received for attendance at any institution under the Pell, SEOG, or SSIG programs; (6) not in default on a loan made at any institution under the NDSL, Perkins Loan, GSL, SLS, or PLUS programs; (7) has certified to the completion of Selective Service requirements.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Students or their families are expected to pay the family contribution amount described above in order to attend the educational institution.

V. BENEFITS AND SERVICES

A. Program intake processes.

Program intake is accomplished through voluntary completion of the application process.

B. Program benefits or services.

Assistance is provided to meet the costs of attending institutions of postsecondary education. The grantee pays the recipient at least once a month for work performed.

Payment, which is made directly to the student employee by cash or check, is based upon the number of hours worked times an hourly wage rate or salary.

The amount of benefit received by recipients in CWS is determined by the recipient's financial need, the availability of this and other financial aid program resources, and institutional philosophy and practices regarding the distribution of financial aid to students. The average award for the 1983-84 school year was $886.

A number of different approaches to methods of assessing a families capability to meet the costs of postsecondary education have been used in the past. Most recently, those approaches have generally involved the Pell Grant method or the Uniform Methodology. The Secretary approves systems developed by agencies or organizations which yield expected family contributions after allowing for living expenses and other necessary expenditures. These parameters and a listing of approved systems are published in the Federal Register through annual notices.

C. Duration of benefits.

No information about average duration of participation is available. College Work-Study does not have duration or participation limitations.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

Participation in other assistance programs does not satisfy any conditions of program eligibility for the CWS program. But, as long as an applicant continues to have demonstrated financial need, participation in other assistance programs does not preclude participation in the CWS program.

B. Counting assistance from other programs.

Cash income, including cash welfare, is counted in determining expected family contribution. Benefits in-kind from other education assistance programs reduce the difference between expected family contribution and total costs, and so reduce maximum CWS benefits which could be received.

C. Overlapping authorities and benefits.

Federal low income assistance programs which provide assistance to all or a large part of the same population are:

- State Student Incentive Grants;
- Supplemental Educational Opportunity Grants;
- Perkins Loans (formerly National Direct Student Loans);
- Guaranteed Student Loans;
- Pell Grants;

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and in the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Education, Arts, and Humanities

House of Representatives

Committee on Education and Labor
    Subcommittee on Postsecondary Education

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

In August of 1964, Congress passed the Economic Opportunity Act of 1964 (Pub. L. 88-452) and Title I, Part C, authorizing the College Work-Study program. At its inception the College Work-

Study program was administered as a delegated poverty program and the initial appropriation to the Office of Economic Opportunity was contained in Pub. L. 88-635.

The CWS program was authorized by the Economic Opportunity Act through FY 1967 with an initial authorization level of $413 million for FY 1965 and "such sums as are necessary" for the succeeding two fiscal years. The provisions of the law prescribing program operations were substantially similar to current law.

The Higher Education Act of 1965 (Pub. L. 89-329) consolidated the financing of postsecondary education by moving the CWS program from the Office of Economic Opportunity to the Office of Education. The amendments contained in the Higher Education Act of 1965 made major substantive changes in the program, in effect transforming it from a poverty program which aided students to a student financial aid program with a special orientation toward students from low income families. The purpose of the program was now one of stimulating and promoting the part-time employment of those students who were in need of the earnings from such employment in order to pursue a course of study at an institution of higher education.

The Higher Education Amendments of 1968, Pub. L. 90-575, transferred the CWS program to Title IV, Part C of the Higher Education Act, and extended the program through FY 1971. These amendments also changed the matching provisions to require a 20 percent nonfederal contribution and extended institutional eligibility for funding to area vocational schools and proprietary institutions of higher education.

The CWS legislation was amended again in 1969. Changes involved the statement of purpose, the appropriations authorized, and the conditions of agreements.

The Higher Education Amendments of 1972 reauthorized the CWS program and expanded eligibility to include half-time students and students in profit-making (proprietary) institutions. These amendments also: (1) changed the state allotment formula to provide 90 percent by formula and 10 percent held harmless; (2) required an affidavit of educational purpose; (3) mandated "good standing".

Another major provision of the 1972 amendments created a separate work-study program for part-time student employment in community service. This program was primarily aimed at the employment of students who were veterans who served in Indochina or Korea after August 5, 1964. The community service work-study program funds were to be spent through contracts with public or private nonprofit agencies. The Program had a separate authorization through FY 1975 at the maximum level of $50 million.

In 1975, the Emergency Technical Provisions Act (Pub. L. 94-43) amended the HEA to authorize the Commissioner of Education to reallocate an institution's unused CWS funds to other institutions in the same state through the fiscal year succeeding the year for which the funds were appropriated.

The Higher Education Amendments of 1976 again reauthorized the Title IV programs. The amendments raised the administrative allowance to four percent and provided the Commissioner with authority to prescribe administrative standards.

Authority for job location and development projects to be funded with CWS funds was added to the HEA in the Education Amendments of 1976 (Pub. L. 94-482). The House version of these amendments would have terminated the authorization for the community service learning program at the same time (the program was never funded) but this program was retained in the Senate and final versions of the legislation.

Pub. L. 94-482 significantly increased authorizations for the CWS program from $420 million for FY 1976 and the transition period to $720 million for FY 1982, the last year of the authority. The 1976 amendments also added provisions which permitted institutions to continue work-study employment for a student mid-semester when such student was earning additional income that put him or her beyond the need threshold, and directed institutions to seek to make part-time employment reasonably available to all students, to the extent of available CWS funds.

The last major amendments to the CWS program were made by the Education Amendments of 1980, Pub. L. 96-374, which extended the CWS program through FY 1985. Significant provisions of these amendments:

- Added a hold-harmless to the requirements for institutional allotments, requiring institutions to have CWS allotments at least equal to the CWS funds they used in FY 1979;
- Substituted the institutional reallotment provision enacted in Pub. L. 94-43 with authority for an institution to carry over into the next fiscal year up to 10 percent of a fiscal year's allocation;
- Added an authorization for postsecondary institutions to use up to 10 percent of any fiscal year's CWS allotment for student awards to be used during the academic year preceding the year for which the appropriation was made;
- Authorized institutions to use up to $25,000 or up to 10 percent of their allocations, whichever is less, for a job location and development center;
- Created a new community service learning component of the work-study program;

- Required CWS employment to pay at least the minimum wage.

The Defense Authorization Act of 1982 required all Title IV aid recipients to register for the Selective Service.

On May 26, 1986, the Student Financial Assistance Technical Corrections Act of 1986 (Pub. L. 99-320) was signed. The Technical Corrections Act made minor technical corrections to the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. 99-272). The eligibility requirements were changed for all Title IV programs. Recipients lose eligibility if they are in default on a Title IV loan or owe a refund on a Title IV grant at any institution.

The Higher Education Amendments of 1986 (Pub. L. 99-498) was signed on October 17, 1986. The act removed states as a factor in the allocation formula; funds are now allocated directly to schools. The amendments also made proprietary schools and for-profit private employees eligible as CWS work sites. Required non-federal match is raised from 20 percent in 1987 to 25 percent in 1989 and 30 percent in 1990.

E. Major federal implementing regulations and regulatory changes.

Tentative regulations for the College Work-Study program were issued November 20, 1964.

The regulations described the definitions, the allotment of federal funds to states, the eligible work-study programs, the eligibility and selection of student participants in the program, the use of federal grants, and the federal share of student compensation and the institutional maintenance of level of student employment expenditures.

In May 1969, following the enactment of the Higher Education Act of 1965, regulations were issued by the Office of Education. These regulations included the 1964 provisions and expanded to include limitations on the number of hours of employment, minimum wage rate, nature and source of institutional share, coordinating of student financial aid programs, institutional agreement and application for funds, criteria for approval of applications, payment and reallocation of grant funds, and fiscal procedures, records, and reports.

In July 1971 regulations, the major regulatory changes were the inclusion of proprietary institutions of higher education as eligible for participation and provisions for fiscal audits.

In May 1975 regulations, the major changes included provisions for an approved need analysis to determine an expected family contribution and procedures for handling over-awards.

In August 1976 regulations, the major issue was the manner in which financial aid packages were to be administered for Native American students also eligible to receive educational grants from the Bureau of Indian Affairs (BIA).

In September 1976 regulations, the major changes were application review and approval of request, institutional agreement, coordination with Bureau of Indian Affairs grants-in-aid, cost of education, need analysis systems, special sessions, administrative expense, federal interest in allocated funds, termination and suspension, eligible employment, establishment of wage rates, limitation on the number of hours of employment, limitation on the federal share of student compensation, maintenance of effort, a notarized affidavit of educational purpose, and transfer use of funds.

In July 1977 regulations, the major issue was the definition of an independent student.

In August 1978 regulations, the major issues were payments to students, earnings attributable to cost of education, limitations on the federal share of student compensation, nature and source of institutional share of student compensation, and multi-institutional agreements.

In August 1979 regulations, the major issues were funding procedures, calculation of institutional need by formula rather than by panel recommendation, and shifting funds in self-help programs. They also contained regulations of programs of study abroad.

In June 1980 regulations, the major regulatory changes provided that a statement of educational purpose may be used in lieu of the requirement of a notarized affidavit of educational purpose and a change in the definition of a half-time student to more realistically reflect half-time status, especially at institutions offering evening programs. They also contained regulations on a financial aid transcript.

In January 1981 regulations, the major issues were conditional guarantee, student living expenses and expected family contribution, increase in funds an institution may use for its Job Location and Development Program, employment in a Community Service Learning program, and minimum wages required under the Fair Labor Standards Act.

In January 1981 regulations, the major issues were tuition, fees, room and board in the cost of attendance, allowances for special circumstances, correspondence study programs, and attendance costs for students whose program length exceeds the academic year at institutions using clock hours.

In January 1982 regulations, the major changes were the expected family contribution amounts in the formula. These changes reflected recent and relevant data plus updating the family-size offsets to account for the effects of inflation.

In August 1982 regulations, the major issues were in the funding procedures and the appeals process, allotment and reallotment, allocation and reallocation, conditional guarantee, and fair share funding procedures.

In October 1982 regulations, the major changes were in the expected family contribution for an independent student. These included indicators of financial strength, effective family income, effective student income, contribution from parents, and extraordinary circumstances.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
84.033 COLLEGE WORK-STUDY

	Benefits	Administration	(1)	Total	(2)
United States	$844,664	$30,360		$875,024	
Alabama	$12,366	$684		$13,050	
Alaska	$330	$36		$366	
Arizona	$6,344	$389		$6,733	
Arkansas	$6,816	$253		$7,069	
California	$53,962	$3,295		$57,257	
Colorado	$7,029	$451		$7,480	
Connecticut	$7,655	$329		$7,984	
Delaware	$1,340	$61		$1,401	
D. C.	$4,858	$184		$5,043	
Florida	$18,362	$873		$19,235	
Georgia	$12,295	$806		$13,101	
Hawaii	$1,787	$102		$1,889	
Idaho	$1,766	$113		$1,879	
Illinois	$25,249	$965		$26,214	
Indiana	$12,832	$702		$13,534	
Iowa	$9,409	$222		$9,631	
Kansas	$6,633	$187		$6,821	
Kentucky	$13,024	$513		$13,537	
Louisiana	$11,580	$561		$12,142	
Maine	$7,552	$433		$7,985	
Maryland	$9,542	$356		$9,897	
Massachusetts	$40,785	$1,849		$42,634	
Michigan	$20,287	$797		$21,084	
Minnesota	$15,489	$603		$16,093	
Mississippi	$9,542	$473		$10,015	
Missouri	$13,234	$547		$13,782	
Montana	$2,926	$148		$3,074	
Nebraska	$4,413	$246		$4,659	
Nevada	$1,071	$43		$1,114	
New Hampshire	$5,058	$308		$5,367	
New Jersey	$13,071	$746		$13,817	
New Mexico	$6,758	$272		$7,030	
New York	$57,272	$2,095		$59,367	
N. Carolina	$14,377	$1,152		$15,528	
N. Dakota	$2,994	$153		$3,147	
Ohio	$25,805	$1,081		$26,886	
Oklahoma	$7,635	$267		$7,901	
Oregon	$10,346	$588		$10,934	
Pennsylvania	$34,484	$1,213		$35,697	
Rhode Island	$5,518	$174		$5,692	
S. Carolina	$8,601	$507		$9,108	
S. Dakota	$3,695	$137		$3,831	
Tennessee	$10,759	$612		$11,371	
Texas	$31,399	$1,428		$32,827	
Utah	$3,271	$208		$3,478	
Vermont	$5,505	$366		$5,870	
Virginia	$12,453	$758		$13,211	
Washington	$13,153	$691		$13,844	
W. Virginia	$5,315	$259		$5,575	
Wisconsin	$14,869	$472		$15,341	
Wyoming	$631	$63		$694	
Guam	$261	$13		$274	
Puerto Rico	$12,885	$576		$13,461	
Virgin Islands	$72	$0		$72	

Data Sources: Fiscal Operations Report, 1985-86.

(1) Administrative cost allowances are authorized for institutions to offset their costs in administering the Pell Grant and campus-based programs (e.g., costs of personnel, materials and/or equipment) and for carrying out the student consumer information services requirements. An institution must be able to document these expenses through audit reviews.
(2) Includes funds from institutions which are not included on Table XI.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
84.033 COLLEGE WORK-STUDY

	Benefits	Administration	(1)	Total	(2)
United States	$683,149	$31,006		$714,154	
Alabama	$12,926	$788		$13,715	
Alaska	$333	$31		$363	
Arizona	$7,450	$207		$7,656	
Arkansas	$7,243	$188		$7,431	
California	$56,237	$3,304		$59,541	
Colorado	$7,160	$513		$7,674	
Connecticut	$8,174	$229		$8,403	
Delaware	$1,607	$86		$1,693	
D. C.	$5,752	$216		$5,968	
Florida	$19,573	$717		$20,289	
Georgia	$13,664	$734		$14,399	
Hawaii	$2,135	$25		$2,160	
Idaho	$2,079	$119		$2,198	
Illinois	$26,416	$1,412		$27,829	
Indiana	$13,812	$357		$14,170	
Iowa	$9,705	$317		$10,022	
Kansas	$6,815	$248		$7,063	
Kentucky	$13,450	$550		$14,001	
Louisiana	$12,453	$588		$13,042	
Maine	$7,604	$403		$8,007	
Maryland	$10,447	$294		$10,741	
Massachusetts	$40,867	$1,851		$42,718	
Michigan	$21,468	$950		$22,419	
Minnesota	$16,019	$640		$16,659	
Mississippi	$10,403	$473		$10,876	
Missouri	$13,818	$430		$14,248	
Montana	$2,970	$155		$3,125	
Nebraska	$4,559	$162		$4,721	
Nevada	$1,091	$27		$1,119	
New Hampshire	$5,533	$413		$5,946	
New Jersey	$14,391	$591		$14,982	
New Mexico	$7,328	$266		$7,594	
New York	$61,261	$2,694		$63,955	
N. Carolina	$15,945	$951		$16,896	
N. Dakota	$3,103	$165		$3,267	
Ohio	$27,039	$1,210		$28,249	
Oklahoma	$7,337	$459		$7,796	
Oregon	$10,983	$458		$11,441	
Pennsylvania	$35,668	$1,456		$37,125	
Rhode Island	$5,862	$259		$6,121	
S. Carolina	$9,636	$375		$10,011	
S. Dakota	$4,074	$230		$4,304	
Tennessee	$11,945	$588		$12,533	
Texas	$35,001	$1,390		$36,391	
Utah	$3,729	$269		$3,998	
Vermont	$5,513	$322		$5,835	
Virginia	$13,419	$786		$14,205	
Washington	$13,375	$561		$13,936	
W. Virginia	$5,541	$249		$5,790	
Wisconsin	$15,339	$625		$15,964	
Wyoming	$740	$27		$767	
Guam	$239	$12		$251	
Puerto Rico	$13,861	$630		$14,491	
Virgin Islands	$57	$3		$59	

Data Sources: Fiscal Operations Report, 1984-85.

(1) Administrative cost allowances are authorized for institutions to offset their costs in administering the Pell Grant and campus-based programs (e.g., costs of personnel, materials and/or equipment) and for carrying out the student consumer information services requirements. An institution must be able to document these expenses through audit reviews.
(2) Includes funds from institutions which are not included on Table XI.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.033 COLLEGE WORK-STUDY

	Student Participants
United States	734,842
Alabama	13,772
Alaska	247
Arizona	5,779
Arkansas	8,869
California	48,381
Colorado	6,462
Connecticut	10,006
Delaware	1,733
D. C.	4,161
Florida	22,963
Georgia	14,082
Hawaii	1,436
Idaho	2,113
Illinois	26,632
Indiana	16,292
Iowa	12,861
Kansas	8,129
Kentucky	12,523
Louisiana	14,078
Maine	8,387
Maryland	9,435
Massachusetts	39,605
Michigan	23,273
Minnesota	19,604
Mississippi	11,995
Missouri	14,808
Montana	3,358
Nebraska	5,878
Nevada	559
New Hampshire	6,611
New Jersey	15,758
New Mexico	5,538
New York	64,484
N. Carolina	20,243
N. Dakota	4,081
Ohio	28,422
Oklahoma	9,184
Oregon	12,084
Pennsylvania	42,188
Rhode Island	6,710
S. Carolina	10,210
S. Dakota	5,103
Tennessee	14,285
Texas	30,053
Utah	2,901
Vermont	6,895
Virginia	14,847
Washington	11,703
W. Virginia	7,304
Wisconsin	18,878
Wyoming	740
Guam	247
Puerto Rico	29,094
Virgin Islands	82

Data Sources: Fiscal Operations Report, 1985-86.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.033 COLLEGE WORK-STUDY

	Student Participants
United States	770,897
Alabama	14,859
Alaska	248
Arizona	6,516
Arkansas	8,890
California	49,459
Colorado	6,823
Connecticut	9,865
Delaware	1,982
D. C.	4,996
Florida	21,758
Georgia	14,781
Hawaii	1,605
Idaho	2,317
Illinois	26,693
Indiana	17,172
Iowa	13,538
Kansas	8,663
Kentucky	13,099
Louisiana	14,180
Maine	9,052
Maryland	9,841
Massachusetts	40,341
Michigan	24,856
Minnesota	21,079
Mississippi	13,644
Missouri	15,697
Montana	3,613
Nebraska	6,121
Nevada	626
New Hampshire	7,251
New Jersey	16,522
New Mexico	6,499
New York	67,750
N. Carolina	22,870
N. Dakota	3,955
Ohio	28,898
Oklahoma	9,235
Oregon	12,779
Pennsylvania	44,066
Rhode Island	7,162
S. Carolina	11,155
S. Dakota	5,628
Tennessee	15,862
Texas	32,544
Utah	2,848
Vermont	6,563
Virginia	15,426
Washington	12,612
W. Virginia	7,795
Wisconsin	19,804
Wyoming	752
Guam	192
Puerto Rico	30,295
Virgin Islands	92

Data Sources: Fiscal Operations Report, 1984-85.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
84.033 COLLEGE WORK-STUDY

	Benefits	Administration	Total
United States	$877	$41	$918
Alabama	$898	$50	$948
Alaska	$1,335	$145	$1,480
Arizona	$1,098	$67	$1,165
Arkansas	$768	$29	$797
California	$1,115	$68	$1,183
Colorado	$1,088	$70	$1,158
Connecticut	$765	$33	$798
Delaware	$773	$35	$808
D. C.	$1,168	$44	$1,212
Florida	$800	$38	$838
Georgia	$873	$57	$930
Hawaii	$1,244	$71	$1,315
Idaho	$836	$54	$890
Illinois	$948	$36	$984
Indiana	$788	$43	$831
Iowa	$732	$17	$749
Kansas	$816	$23	$839
Kentucky	$1,040	$41	$1,081
Louisiana	$823	$40	$863
Maine	$900	$52	$952
Maryland	$1,011	$38	$1,049
Massachusetts	$1,030	$47	$1,077
Michigan	$872	$34	$906
Minnesota	$790	$31	$821
Mississippi	$795	$39	$834
Missouri	$906	$37	$943
Montana	$872	$44	$916
Nebraska	$751	$42	$793
Nevada	$1,915	$77	$1,992
New Hampshire	$765	$47	$812
New Jersey	$830	$47	$877
New Mexico	$1,220	$49	$1,269
New York	$888	$32	$920
North Carolina	$710	$57	$767
North Dakota	$734	$37	$771
Ohio	$908	$38	$946
Oklahoma	$833	$29	$862
Oregon	$856	$49	$905
Pennsylvania	$817	$29	$846
Rhode Island	$822	$26	$848
S. Carolina	$842	$50	$892
S. Dakota	$724	$27	$751
Tennessee	$753	$43	$796
Texas	$1,045	$48	$1,093
Utah	$1,128	$71	$1,199
Vermont	$798	$53	$851
Virginia	$839	$51	$890
Washington	$1,124	$59	$1,183
W. Virginia	$728	$35	$763
Wisconsin	$788	$25	$813
Wyoming	$853	$85	$938
Guam	$1,058	$53	$1,111
Puerto Rico	$443	$20	$463
Virgin Islands	$876		$876

Data Sources: Fiscal Operations Report, 1985-86

(1) Spending from Table VIII.A divided by students from Table IX.A.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
84.033 COLLEGE WORK-STUDY

	Benefits	Administration	Total
United States	$886	$40	$926
Alabama	$870	$53	$923
Alaska	$1,341	$123	$1,464
Arizona	$1,143	$32	$1,175
Arkansas	$815	$21	$836
California	$1,137	$56	$1,193
Colorado	$1,049	$75	$1,124
Connecticut	$829	$23	$852
Delaware	$807	$43	$850
D. C.	$1,151	$43	$1,194
Florida	$900	$33	$933
Georgia	$924	$50	$974
Hawaii	$1,330	$16	$1,346
Idaho	$897	$51	$948
Illinois	$990	$53	$1,043
Indiana	$804	$21	$825
Iowa	$717	$23	$740
Kansas	$787	$29	$816
Kentucky	$1,027	$42	$1,069
Louisiana	$878	$41	$919
Maine	$840	$45	$885
Maryland	$1,062	$30	$1,092
Massachusetts	$1,013	$46	$1,059
Michigan	$864	$38	$902
Minnesota	$760	$30	$790
Mississippi	$762	$35	$797
Missouri	$880	$27	$907
Montana	$822	$43	$865
Nebraska	$745	$26	$771
Nevada	$1,744	$44	$1,788
New Hampshire	$763	$57	$820
New Jersey	$871	$36	$907
New Mexico	$1,128	$41	$1,169
New York	$904	$40	$944
North Carolina	$897	$42	$739
North Dakota	$784	$42	$826
Ohio	$936	$42	$978
Oklahoma	$794	$50	$844
Oregon	$859	$36	$895
Pennsylvania	$809	$33	$842
Rhode Island	$819	$36	$855
S. Carolina	$864	$34	$898
S. Dakota	$724	$41	$765
Tennessee	$753	$37	$790
Texas	$1,075	$43	$1,118
Utah	$1,309	$95	$1,404
Vermont	$840	$49	$889
Virginia	$870	$51	$921
Washington	$1,060	$45	$1,105
W. Virginia	$711	$32	$743
Wisconsin	$775	$32	$807
Wyoming	$984	$36	$1,020
Guam	$1,244	$62	$1,306
Puerto Rico	$458	$21	$479
Virgin Islands	$815	$31	$846

Data Sources: Fiscal Operations Report, 1984-85

(1) Spending from Table VIII.B. divided by students from Table IX.B.

XI. HISTORICAL DATA (Dollars in thousands)
84.033 COLLEGE WORK-STUDY

Federal Fiscal Year		Available Aid	(1)	Student Participants
1985		$553,600		788,000
1984		$518,400		737,000
1983		$536,000		771,798
1982		$459,200		720,097
1981		$472,800		739,346
1980		$472,800		819,093
1979		$476,000		925,660
1978		$391,200		700,520
1977		$375,200		845,275
1976		$348,800		698,661
1975		$236,000		570,000
1974		$236,000		570,000
1973		$236,800		556,000
1972	(2)	$255,200		600,000
1971		$255,200		
1970		$160,000		425,000
1969		$139,200		385,000
1968		$115,200		352,436
1967		$102,400		300,000
1966		$93,200		275,000
1965		$26,400		115,000
1964				
1963				
1962				
1961				
1960				

Data Sources: Available Aid from the Office of Management and Budget.
Participant data from Office of Postsecondary Education, Program Book.

(1) Institutions must contribute up to 20 percent of compensation, but historical data on actual contributions by institutions are not available.
(2) Eighteen month grant period — January 1, 1971 through June 30, 1972.

SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

I. PROGRAM SUMMARY

The Supplemental Educational Opportunity Grants (SEOG) program provides federal funds to assist undergraduate students with demonstrated financial need meet their educational expenses. State and local governments do not play a role in administering the program. The Department of Education allocates funds to schools that make eligibility determinations and award grants to students with financial need.

In FY 1985, about 720,000 students were assisted under the SEOG program at a total federal cost of about $388 million. The annual federal appropriation is allocated among about 4,000 participating institutions according to a formula that provides minimum funding with supplements based on institutional need. Recent statutory changes provide for non-federal matching of 5 percent in FY 1989, 10 percent in FY 1990, and 15 percent in FY 1991 and after.

Eligibility is limited to undergraduate students with financial need. Financial need is based on an analysis of the student's and family's financial situation and the difference between the cost of education and the amount the student and family can reasonably be expected to contribute toward that cost. A recipient must be enrolled as a regular student, maintain satisfactory progress, register with Selective Service, not be in default or owe refunds under other U.S. educational loan programs, and be a U.S. citizen or permanent resident.

The minimum SEOG award is $100 and the maximum is $4,000 per academic year. In FY 1985, the average award per student was about $539. The SEOG grants need not be repaid. The grant must be used for such educational expenses as tuition, fees, books, supplies, food, and shelter.

There are a number of other federal programs which may meet some of the costs of postsecondary education. These other programs may provide benefits to the same students who receive SEOG grants, yet duplication of benefits is unlikely because SEOG awards may not exceed the difference between the cost of education and all the other resources available to the student.

II. ADMINISTRATION

A. Program name: Supplemental Educational Opportunity Grants.

B. Catalog of Federal Domestic Assistance No.: 84.007
Budget account number(s): 91-0200-0-1-502.

C. Current authorizing statute: Sec. 413A-413D of Title IV-A-2 of HEA, Pub. L. 99-498. (20 U.S.C. 1070b-1070b-3.)

D. Location of program regulations in the Code of Federal Regulations: 34 CFR Part 676.

E. Federal administering agency: Office of Student Financial Assistance, Office of Postsecondary Education, Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: Institutions of postsecondary education.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Funds are allocated to institutions on the basis of a prior year's expenditures and demonstrated need for additional funding. Institutions award funds to students on the basis of financial need as determined by a system of need analysis approved by the Secretary. The institutional allocation procedures are described in Sections 676.3 to 676.7 of the SEOG program regulations. Funds are awarded for use by participating institutions for one award year at a time following the year of application.

I. Role of state and local governments in administering the program.

State and local governments do not play a role in administering this program, except where grantee institutions are under state or local government control.

Institutional responsibilities in administering this program include: (1) receiving applications from students or prospective students requesting financial assistance; (2) determining eligibility which includes an assessment of need; (3) making awards and disbursing funds; (4) verifying selected applicant's application data; (5) establishing and maintaining records; (6) reporting program activity.

J. Audit or quality control.

Regulations governing the SEOG program provide for standards of compliance and the Student Assistance General Provisions provide for biannual audits. These audits must be conducted in accordance with the Comptroller General's standards and copies are provided to the Office of Inspector General and to the Office of Student Financial Assistance, Audit Review Branch.

All participating institutions are subject to compliance audits and program reviews. Violations of regulations are grounds for suspension, fines, limitations, termination, or repayment of liabilities.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The statutory and regulatory objectives are to provide, through institutions of postsecondary education, supplemental grants to assist in making available the benefits of higher education to needy students.

B. Allocation of funds among various activities.

In FY 1985, about 3 percent of funds was used for administration by institutions and 97 percent was used for grants to students.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual students are eligible.

B. Income eligibility standards.

Financial need is the difference between the cost of education and the amount the student and the student's family can reasonably be expected to contribute toward that cost. This expected contribution is the result of an analysis of the student's and family's financial situation. Institutions perform this need analysis using a methodology which has been approved by the Department of Education.

C. Other eligibility requirements.

A student is eligible to receive assistance under the SEOG program if the student is: (1) a U.S. citizen or national, or is a permanent resident of the U.S., or is in the U.S. for other than a temporary-purpose with the intention of becoming a citizen or permanent resident or is a permanent resident of the Trust Territory of the Pacific Islands; (2) enrolled or accepted for enrollment at an institution of higher education; (3) determined to have substantial financial need; (4) maintaining satisfactory progress in a course of study; (5) not obligated to pay a refund on a grant received for attendance at any institution under the Pell, SEOG, or SSIG programs; (6) not in default on a loan made at any institution under the NDSL, Perkins Loan, GSL, SLS, or PLUS programs; (7) has certified to the completion of Selective Service requirements.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Formulas approved by the Department of Education calculate amounts from other income which students and their families may reasonably be expected to contributed to higher education costs.

V. BENEFITS AND SERVICES

A. Program intake processes.

Program intake is accomplished through voluntary completion of the application process by recipients.

B. Program benefits or services.

The grantee may credit the recipient's SEOG to his or her account, pay the recipient directly, or use a combination of these methods. The grantee must pay the recipient at least once per term or at least twice during the academic year.

The amount of benefit received by recipients in the SEOG program is determined by the recipient's financial need, the availability of this and other financial aid program resources, and institutional philosophy and practices regarding the distribution of financial aid to students. Institutions utilize, at their discretion, the available financial aid resources, including the SEOG, to meet the student's financial need. The minimum award a recipient may receive is $100 for an academic year, and the maximum is $4,000.

C. Duration of benefits.

There are no time limits on receipt of aid, as long as the student has not yet received a bachelor's degree and continues to maintain satisfactory academic progress as determined by the individual school.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

Participation in other assistance programs does not satisfy any conditions of program eligibility for the SEOG program. But, as long as an applicant has demonstrated financial need, participation in other assistance programs does not preclude participation in the SEOG program.

B. Counting assistance from other programs.

Cash income, including cash welfare, is counted in determining expected family contribution. Benefits in-kind from other education assistance programs reduce the difference between expected family contribution and total costs and so reduce maximum SEOG benefits which could be received.

C. Overlapping authorities and benefits.

Federal low income assistance programs which provide assistance to all or a large part of the same population are:

- State Student Incentive Grants;
- Pell Grants;
- Perkins loans (formerly National Direct Student Loans);
- Guaranteed Student Loans;
- College Work-Study;
- Veterans Education Assistance Program.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and in the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Education, Arts, and Humanities

House of Representatives

Committee on Education and Labor
    Subcommittee on Postsecondary Education

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

The Supplemental Educational Opportunity Grant (SEOG) program was authorized and incorporated into the Higher Education Act by the Education Amendments of 1972. It superceded the Educational Opportunity Grant (EOG) which was established by the Higher Educational Act of 1965 (Pub. L. 89-329). The EOG made grants available to high school graduates of exceptional financial need who, without the grants, would have been unable to attend a postsecondary institution.

The Education Amendments of 1972 (Pub. L. 92-318) extended the existing Educational Opportunity Grant program as a supplementary program to the Basic Educational Opportunity Grant program. The maximum amount for a grant was increased over the previous EOG to $1,500 (from $1,000) a year with a maximum 4-year total of $4,000.

The Education Amendments of 1976 (Pub. L. 94-482) extended the authorization for funding of the program through FY 1979.

Under the Education Amendments of 1980, the maximum grant was increased to $2,000 annually and the cumulative limits of $4,000 and $5,000 were repealed. The legislation eliminated the limitation on the number of years a student is eligible for an SEOG. Also, the provision limiting SEOG to students with "exceptional financial need" was changed to read student with "financial need." Several changes were made governing the SEOG allocation formula to states and institutions. The enrollment-based interstate allocation formula was changed so that it eliminated graduate students from the calculation.

The Defense Authorization Act of 1982 required all Title IV aid recipients to register for the Selective Service.

On May 26, 1986, the Student Financial Assistance Technical Corrections Act of 1986 (Pub. L. 99-320) was signed. The Technical Corrections Act made minor technical corrections to the Consolidated Omnibus Budget Reconciliation Act of 1985 (Pub. L. 99-272). The eligibility requirements were changed for all Title IV programs. Recipients lose eligibility if they are in default on a Title IV loan or owe a refund on a Title IV grant at any institution.

The Higher Education Amendments of 1986 (Pub. L. 99-498), enacted October 17, 1986, doubled the maximum grant from $2,000 to $4,000 and eliminated states as a factor in the allocation formula. The act also introduces a non-federal match requirement of 5 percent in FY 1989, 10 percent in FY 1990, and 15 percent in FY 1991. The amendments also eliminated the distinction between initial year and continuing year, established in 1978.

E. Major federal implementing regulations and regulatory changes.

A Notice of Proposed Rule making was published in the Federal Register on March 6, 1974 (39 FR 8624-8629), setting forth proposed regulations governing the operation of the Supplemental Educational Opportunity Grant program (20 U.S.C. 1070b-1070b-3). Authorized by the Education Amendments of 1972 (Pub. L. 92-318), the regulations described the definition, the allotment of federal funds to states, the eligibility and selection of student participants in the program, the use of federal grants, and the federal share of student compensation.

In October 1974, regulations were expanded to include the definitions of student eligibility, duration of student eligibility, cost of education, expected family contribution, need analysis systems, coordination of financial aid programs, amount of grant, payment of grant, maintenance of effort, and the use of funds.

In November 1976, the major regulatory changes were the inclusion of allocation, reallocation, and payment of funds to institutions, institutional application, institutional agreement, coordination with Bureau of Indian Affairs' grant-in aid, transfer of funds from College Work-Study to SEOG, use of funds, fiscal procedures and records, termination and suspension of institutions.

In August 1978, regulations reflected the new terminologies of the Initial Grant and the Continuing Grant. This meant that an institution may award one initial grant to a student. A returning student would receive a second grant from the CY funds.

In August 1979, changes were made in the definition of an institution of higher education and programs of study abroad.

In June 1980, an additional provision dealt with the Secretary's approval for institutions to offer a six-month program of training if approved by the accrediting association that accredits the school.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
84.007 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

	Benefits	Administration	Total
United States	$374,572	$12,822	$387,395
Alabama	$5,897	$229	$6,126
Alaska	$349	$1	$350
Arizona	$5,035	$100	$5,135
Arkansas	$2,474	$111	$2,585
California	$37,168	$1,325	$38,493
Colorado	$4,557	$134	$4,692
Connecticut	$5,189	$77	$5,266
Delaware	$886	$27	$913
D. C.	$2,737	$36	$2,772
Florida	$10,608	$278	$10,886
Georgia	$5,965	$172	$6,137
Hawaii	$1,245	$62	$1,308
Idaho	$1,182	$62	$1,245
Illinois	$16,343	$608	$16,950
Indiana	$7,681	$157	$7,838
Iowa	$5,242	$94	$5,337
Kansas	$3,703	$132	$3,835
Kentucky	$3,987	$262	$4,249
Louisiana	$4,486	$99	$4,584
Maine	$5,229	$79	$5,308
Maryland	$5,852	$246	$6,098
Massachusetts	$20,624	$341	$20,965
Michigan	$13,714	$674	$14,389
Minnesota	$10,025	$281	$10,306
Mississippi	$4,618	$168	$4,786
Missouri	$6,404	$255	$6,659
Montana	$996	$120	$1,117
Nebraska	$2,477	$73	$2,549
Nevada	$617	$55	$672
New Hampshire	$3,371	$43	$3,414
New Jersey	$8,259	$219	$8,478
New Mexico	$2,649	$230	$2,879
New York	$29,270	$1,308	$30,579
N. Carolina	$8,895	$108	$9,002
N. Dakota	$2,189	$183	$2,373
Ohio	$14,202	$330	$14,531
Oklahoma	$4,031	$159	$4,190
Oregon	$7,477	$445	$7,921
Pennsylvania	$21,180	$397	$21,577
Rhode Island	$3,698	$68	$3,765
S. Carolina	$4,434	$139	$4,573
S. Dakota	$2,287	$111	$2,397
Tennessee	$6,256	$189	$6,445
Texas	$17,995	$851	$18,846
Utah	$2,223	$124	$2,347
Vermont	$3,707	$48	$3,755
Virginia	$6,951	$196	$7,147
Washington	$9,161	$324	$9,485
W. Virginia	$2,761	$77	$2,838
Wisconsin	$11,940	$673	$12,613
Wyoming	$508	$56	$564
Guam	$30	$2	$32
Puerto Rico	$5,784	$284	$6,068
Virgin Islands	$29	$1	$29

Data Sources: Fiscal Operations Report, 1985-86.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (In thousands)
84.007 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

	Benefits	Administration	Total
United States	$360,970	$12,606	$373,576
Alabama	$5,699	$169	$5,868
Alaska	$283	$2	$285
Arizona	$4,910	$113	$5,023
Arkansas	$2,297	$53	$2,350
California	$35,974	$1,185	$37,159
Colorado	$4,352	$144	$4,495
Connecticut	$4,967	$168	$5,134
Delaware	$936	$19	$955
D. C.	$2,898	$36	$2,934
Florida	$10,739	$229	$10,968
Georgia	$5,830	$220	$6,050
Hawaii	$1,146	$47	$1,194
Idaho	$1,131	$60	$1,191
Illinois	$15,771	$549	$16,321
Indiana	$6,986	$388	$7,375
Iowa	$5,206	$99	$5,305
Kansas	$3,444	$131	$3,576
Kentucky	$3,569	$235	$3,804
Louisiana	$4,647	$80	$4,728
Maine	$5,121	$159	$5,280
Maryland	$5,569	$320	$5,889
Massachusetts	$20,589	$407	$20,997
Michigan	$12,391	$477	$12,868
Minnesota	$10,081	$222	$10,303
Mississippi	$4,595	$266	$4,862
Missouri	$6,078	$274	$6,352
Montana	$844	$58	$902
Nebraska	$2,397	$63	$2,460
Nevada	$508	$74	$582
New Hampshire	$3,671	$70	$3,740
New Jersey	$7,958	$271	$8,229
New Mexico	$2,419	$256	$2,676
New York	$28,091	$1,058	$29,149
N. Carolina	$9,051	$128	$9,179
N. Dakota	$1,916	$223	$2,138
Ohio	$13,450	$385	$13,835
Oklahoma	$3,837	$150	$3,987
Oregon	$6,910	$509	$7,419
Pennsylvania	$20,770	$647	$21,417
Rhode Island	$3,493	$87	$3,580
S. Carolina	$4,365	$130	$4,496
S. Dakota	$2,171	$83	$2,254
Tennessee	$6,142	$195	$6,337
Texas	$16,450	$794	$17,244
Utah	$2,013	$86	$2,099
Vermont	$3,772	$66	$3,837
Virginia	$6,623	$178	$6,801
Washington	$9,104	$252	$9,356
W. Virginia	$2,668	$90	$2,758
Wisconsin	$11,000	$484	$11,484
Wyoming	$434	$41	$476
Guam	$28	$1	$30
Puerto Rico	$5,648	$189	$5,837
Virgin Islands	$26	$1	$27

Data Sources: Fiscal Operations Report, 1984-85.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.007 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

		Student Recipients	(1)
United States		653,509	
Alabama		10,232	
Alaska		428	
Arizona		7,517	
Arkansas		5,843	
California		64,340	
Colorado		6,473	
Connecticut		7,486	
Delaware		1,614	
D. C.		3,365	
Florida		18,635	
Georgia		11,697	
Hawaii		1,902	
Idaho		1,694	
Illinois		29,080	
Indiana		12,619	
Iowa		8,616	
Kansas		7,091	
Kentucky		8,525	
Louisiana		11,830	
Maine		8,209	
Maryland		10,758	
Massachusetts		27,970	
Michigan		23,602	
Minnesota		15,207	
Mississippi		10,116	
Missouri		11,945	
Montana		1,609	
Nebraska		5,128	
Nevada		867	
New Hampshire		3,633	
New Jersey		16,490	
New Mexico		4,770	
New York		50,557	
N. Carolina		14,702	
N. Dakota		4,685	
Ohio		23,473	
Oklahoma		9,324	
Oregon		13,156	
Pennsylvania		36,013	
Rhode Island		6,082	
S. Carolina		8,531	
S. Dakota		4,096	
Tennessee		10,397	
Texas		32,560	
Utah		3,581	
Vermont		6,235	
Virginia		11,666	
Washington		14,421	
W. Virginia		5,050	
Wisconsin		19,423	
Wyoming		845	
Guam		178	
Puerto Rico		19,136	
Virgin Islands		107	

Data Sources: Fiscal Operations Report, 1985-86.

(1) Based on unduplicated annual count.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.007 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

	Student Recipients	(1)
United States	648,498	
Alabama	10,147	
Alaska	382	
Arizona	7,072	
Arkansas	5,568	
California	63,380	
Colorado	6,187	
Connecticut	7,717	
Delaware	1,593	
D. C.	3,337	
Florida	19,168	
Georgia	11,181	
Hawaii	1,660	
Idaho	1,895	
Illinois	28,404	
Indiana	11,632	
Iowa	8,608	
Kansas	7,441	
Kentucky	8,048	
Louisiana	11,145	
Maine	8,251	
Maryland	10,385	
Massachusetts	28,476	
Michigan	23,363	
Minnesota	16,316	
Mississippi	9,747	
Missouri	11,470	
Montana	1,623	
Nebraska	4,958	
Nevada	849	
New Hampshire	3,658	
New Jersey	15,953	
New Mexico	5,246	
New York	51,473	
N. Carolina	15,325	
N. Dakota	4,198	
Ohio	22,671	
Oklahoma	9,146	
Oregon	11,268	
Pennsylvania	35,871	
Rhode Island	5,876	
S. Carolina	8,528	
S. Dakota	4,367	
Tennessee	11,725	
Texas	31,345	
Utah	3,325	
Vermont	6,535	
Virginia	11,051	
Washington	14,528	
W. Virginia	5,041	
Wisconsin	19,470	
Wyoming	763	
Guam	140	
Puerto Rico	20,892	
Virgin Islands	100	

Data Sources: Fiscal Operations Report, 1984-85.

(1) Based on unduplicated annual count.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
84.007 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

	Benefits	Administration	Total
United States	$573	$20	$593
Alabama	$576	$22	$598
Alaska	$815	$3	$818
Arizona	$670	$13	$683
Arkansas	$423	$19	$442
California	$578	$21	$599
Colorado	$704	$21	$725
Connecticut	$693	$10	$703
Delaware	$549	$17	$566
D. C.	$813	$11	$824
Florida	$569	$15	$584
Georgia	$510	$15	$525
Hawaii	$654	$32	$686
Idaho	$698	$37	$735
Illinois	$562	$21	$583
Indiana	$609	$12	$621
Iowa	$608	$11	$619
Kansas	$522	$19	$541
Kentucky	$468	$31	$499
Louisiana	$379	$8	$387
Maine	$637	$10	$647
Maryland	$544	$23	$567
Massachusetts	$737	$12	$749
Michigan	$581	$29	$610
Minnesota	$659	$19	$678
Mississippi	$457	$17	$474
Missouri	$536	$21	$557
Montana	$619	$75	$694
Nebraska	$483	$14	$497
Nevada	$711	$63	$774
New Hampshire	$928	$12	$940
New Jersey	$501	$13	$514
New Mexico	$555	$48	$603
New York	$579	$26	$605
N. Carolina	$605	$7	$612
N. Dakota	$467	$39	$506
Ohio	$605	$14	$619
Oklahoma	$432	$17	$449
Oregon	$568	$34	$602
Pennsylvania	$588	$11	$599
Rhode Island	$608	$11	$619
S. Carolina	$520	$16	$536
S. Dakota	$558	$27	$585
Tennessee	$602	$18	$620
Texas	$553	$26	$579
Utah	$621	$35	$656
Vermont	$595	$8	$603
Virginia	$596	$17	$613
Washington	$635	$22	$657
W. Virginia	$547	$15	$562
Wisconsin	$615	$35	$650
Wyoming	$601	$66	$667
Guam	$167	$10	$177
Puerto Rico	$302	$15	$317
Virgin Islands	$268	$1	$269

Data Sources: Fiscal Operations Report, 1985-86.

(1) Based on unduplicated annual count.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
84.007 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

	Benefits	Administration	Total
United States	$557	$19	$576
Alabama	$562	$17	$579
Alaska	$741	$6	$747
Arizona	$694	$16	$710
Arkansas	$413	$9	$422
California	$568	$19	$587
Colorado	$703	$23	$726
Connecticut	$644	$22	$666
Delaware	$588	$12	$600
D. C.	$868	$11	$879
Florida	$560	$12	$572
Georgia	$521	$20	$541
Hawaii	$691	$28	$719
Idaho	$597	$31	$628
Illinois	$555	$19	$574
Indiana	$601	$33	$634
Iowa	$605	$12	$617
Kansas	$463	$18	$481
Kentucky	$443	$29	$472
Louisiana	$417	$7	$424
Maine	$621	$19	$640
Maryland	$536	$31	$567
Massachusetts	$723	$14	$737
Michigan	$530	$20	$550
Minnesota	$618	$14	$632
Mississippi	$471	$27	$498
Missouri	$530	$24	$554
Montana	$520	$35	$555
Nebraksa	$483	$13	$496
Nevada	$599	$87	$686
New Hampshire	$1,003	$19	$1,022
New Jersey	$499	$17	$516
New Mexico	$461	$49	$510
New York	$546	$21	$567
North Carolina	$591	$8	$599
North Dakota	$456	$53	$509
Ohio	$593	$17	$610
Oklahoma	$419	$16	$435
Oregon	$613	$45	$658
Pennsylvania	$579	$18	$597
Rhode Island	$595	$11	$606
S. Carolina	$512	$15	$527
S. Dakota	$497	$19	$516
Tennessee	$524	$17	$541
Texas	$525	$25	$550
Utah	$605	$26	$631
Vermont	$577	$10	$587
Virginia	$599	$16	$615
Washington	$627	$17	$644
W. Virginia	$529	$18	$547
Wisconsin	$565	$25	$590
Wyoming	$569	$54	$623
Guam	$203	$9	$212
Puerto Rico	$270	$9	$279
Virgin Islands	$259	$13	$272

Data Sources: Fiscal Operations Report, 1984-85.

(1) Based on unduplicated annual count.

XI. HISTORICAL DATA (Dollars in thousands)
84.007 SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS

Federal Fiscal Year	Budget Authority	Student Recipients	
1985	$395,000	653,509	
1984	$360,000	648,498	
1983	$341,000	648,562	
1982	$355,000	640,650	
1981	$352,000	658,893	
1980	$352,000	716,522	
1979	$333,000	606,024	
1978	$268,000	510,448	
1977	$244,000	499,034	
1976	$244,000	449,231	
1975	$201,000	390,000	
1974	$200,000	395,000	
1973	$189,000	331,000	
1972	$174,000	320,369	
1971	$153,000	297,335	
1970	$134,000	253,421	
1969	$113,000	258,175	
1968	$83,000	202,055	
1967	$47,000	123,165	
1966	$57,923		
1965			
1964			
1963			
1962			
1961			
1960			

Data Sources: Office of Postsecondary Education Program Book.
Fiscal Operations Reports.

STATE STUDENT INCENTIVE GRANT PROGRAM

I. PROGRAM SUMMARY

The State Student Incentive Grants (SSIG) program provides federal matching funds to states to encourage need-based grant programs for postsecondary students. Operating through agreements with the Department of Education, the state agencies responsible for each state's own need-based scholarship programs are also responsible for administering the SSIG program.

In FY 1986, about $73 million was appropriated for the SSIG program and these federal funds were allocated to the states based on enrollment at institutions of higher education. To receive SSIG funds, states must match the federal grants dollar-for-dollar and the state matching funds must represent additional state expenditures over an established base year, defined as the second year before the state entered the SSIG program. If unmet, this matching requirement may result in reallocations of federal funds. States must reapply annually and must pay all administrative costs.

Eligibility is limited to enrolled postsecondary students with substantial financial need. State agencies make eligibility determinations using criteria that they establish subject to approval by the Secretary of Education. The maximum SSIG grant for a full-time student is $2,500 per academic year.

II. ADMINISTRATION

A. Program name: State Student Incentive Grant Program.

B. Catalog of Federal Domestic Assistance No.: 84.069
Budget account number(s): 91-0200-0-1-502.

C. Current authorizing statute: Higher Education Act of 1965, as amended (20 U.S.C. 1070(c)).

D. Location of program regulations in the Code of Federal Regulations: 34 CFR 692.

E. Federal administering agency: Office of Student Financial Assistance, Office of Postsecondary Education, Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: States.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

The Secretary allots to each state participating in the program an amount which bears the same ratio to the federal SSIG funds appropriated as the number of students in that state who are deemed eligible to participate in the state's SSIG program bears to the total number of students in all states who are deemed eligible to participate in the SSIG program, except that no state shall receive less than it received FY 1979.

I. Role of state and local governments in administering the program.

The states are responsible for administering the SSIG program by: (1) providing grants and work-study jobs to eligible students; (2) selecting students for assistance on the basis of standards that they establish and the Secretary approves; (3) providing for state expenditures for SSIG grant and work-study jobs that are equal to or greater than the federal SSIG funds allocated; (4) providing for reports to the Secretary as required.

J. Audit or quality control.

The program statute and regulations governing the SSIG program provide for standards of compliance and require states to provide for such fiscal control and fund accounting procedures as are necessary to assure proper disbursement of and accounting for program funds.

The Department does have the authority to levy penalties for noncompliance. However, the Department has never made a noncompliance determination warranting such a penalty.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The purpose of the SSIG program is to make incentive grants available to the states to assist them in providing grants to eligible students attending institutions of higher education and work-study jobs to eligible students for campus-based community service.

B. Allocation of program funds among activities.

Program funds, with state matching amounts, must be used for the cost of postsecondary education. Federal funds may not be used for the costs of administration.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

The statute provides for grants to the states to provide assistance to eligible students who demonstrate substantial financial need determined annually on the basis of criteria established by the state and approved by the Secretary.

B. Income eligibility standards.

States establish their own standards for substantial financial need by methods subject to approval by the Secretary.

C. Other eligibility requirements.

A student is eligible to receive assistance under the SSIG program if the student is: (1) a U.S. citizen or national, or is a permanent resident of the U.S., or is in the U.S. for other than a temporary purpose with the intention of becoming a citizen or permanent resident or is a permanent resident of the Trust Territory of the Pacific Islands; (2) enrolled or accepted for enrollment at an institution of higher education; (3) determined to have substantial financial need; (4) maintaining satisfactory progress in a course of study; (5) not obligated to pay a refund on a grant received for attendance at any institution under the Pell, SEOG, or SSIG programs; (6) not in default on a loan made at any institution under the NDSL, Perkins Loan, regular GSL, SLS, or PLUS programs; (7) has filed a statement of education purpose.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Students or their families pay part of the costs of higher education based upon their expected family contribution.

V. BENEFITS AND SERVICES

A. Program intake processes.

Following the allocation of funds to states, intake is accomplished through application processes established by the states. The application process involves the voluntary submission of financial information by which financial need is measured.

B. Program benefits or services.

The states generally disburse grant awards on behalf of recipients to institutions of postsecondary education which either credit the recipient's institutional account or disburse funds directly.

The amount of benefits a recipient receives is determined in accordance with criteria set by the state. The only federal requirements are the maximum amount of an SSIG award. In FY 1986, this maximum was $2,000 per year. It was recently increased to $2,500.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

Participation in other assistance programs does not provide categorical or automatic eligibility for SSIG grants.

B. Counting assistance from other programs.

Cash income, including cash welfare, is counted in determining expected family contribution. Benefits in-kind from other education assistance programs reduce difference between expected family contribution and total costs and so reduce maximum benefits which could be received.

C. Overlapping authority.

Federal low income assistance programs which provide assistance to all or a large part of the same population are:

- Supplemental Educational Opportunity Grants;
- Pell Grants;

- Perkins loans (formerly National Direct Student Loans);
- Guaranteed Student Loans;
- College Work-Study;
- Veterans Education Assistance Program.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Education, Arts, and Humanities

House of Representatives

Committee on Education and Labor
    Subcommittee on Postsecondary Education

B. Appropriating subcommittees.

Senate

Committee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Committee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

The Education Amendments of 1972 (Pub. L. 92-318, June 23, 1972) established the SSIG program to provide, through incentive grants to the states, grants to students with substantial financial need to enable them to attend postsecondary educational institutions.

The Education Amendments of 1976 (Pub. L. 94-482, October 10, 1976) required participating states to expand institutional eligibility to include all nonprofit institutions of higher education.

The Education Amendments of 1980 (Pub. L. 96-374, October 3, 1980) required participating states to expend for SSIG grants an amount not less than their average SSIG expenditures for the preceding three years.

The Higher Education Amendments of 1986 (Pub. L. 99-498, October 17, 1986) required participating states to match their federal program allotments with funds specifically appropriated by the state for the SSIG program. The amendments also provided that states may use up to 20 percent of their federal program allotments for payments to students for campus-based community service work learning study jobs.

E. Major federal implementing regulations and regulatory changes.

Federal Register on May 31, 1974, 45 CFR Part 192 implemented the program, established by the Education Amendments of 1972.

Federal Register on September 14, 1977, 45 CFR Part 192 incorporated statutory changes made by the Education Amendments of 1976.

Federal Register on July 14, 1981, 34 CFR Part 692 incorporated statutory changes made by the Education Amendments of 1980.

Amendments to the program regulations published in the Federal Register on December 1, 1986, 34 CFR 692 required states that participate in the SSIG program to match their federal program allotments with funds specifically appropriated by the state for the SSIG program.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
84.069 STATE STUDENT INCENTIVE GRANTS

	BENEFITS					
	Federal	(1)	State-Local	(2)	Total	(3)
United States	$76,000		$76,000		$152,000	
Alabama	$1,130		$1,130		$2,260	
Alaska	$121		$121		$241	
Arizona	$1,293		$1,293		$2,586	
Arkansas	$481		$481		$961	
California	$11,669		$11,669		$23,339	
Colorado	$1,037		$1,037		$2,074	
Connecticut	$989		$989		$1,978	
Delaware	$203		$203		$405	
D. C.	$553		$553		$1,106	
Florida	$2,377		$2,377		$4,754	
Georgia	$1,319		$1,319		$2,638	
Hawaii	$312		$312		$624	
Idaho	$254		$254		$509	
Illinois	$4,105		$4,105		$8,210	
Indiana	$1,519		$1,519		$3,038	
Iowa	$817		$817		$1,633	
Kansas	$842		$842		$1,683	
Kentucky	$928		$928		$1,855	
Louisiana	$1,081		$1,081		$2,163	
Maine	$272		$272		$544	
Maryland	$1,385		$1,385		$2,771	
Massachusetts	$2,442		$2,442		$4,884	
Michigan	$3,139		$3,139		$6,279	
Minnesota	$1,469		$1,469		$2,938	
Mississippi	$643		$643		$1,286	
Missouri	$1,501		$1,501		$3,002	
Montana	$209		$209		$419	
Nebraska	$545		$545		$1,089	
Nevada	$207		$207		$414	
New Hampshire	$265		$265		$530	
New Jersey	$1,992		$1,992		$3,984	
New Mexico	$386		$386		$771	
New York	$6,420		$6,420		$12,840	
N. Carolina	$1,649		$1,649		$3,299	
N. Dakota	$203		$203		$407	
Ohio	$3,011		$3,011		$6,022	
Oklahoma	$1,023		$1,023		$2,046	
Oregon	$976		$976		$1,951	
Pennsylvania	$3,338		$3,338		$6,676	
Rhode Island	$401		$401		$802	
S. Carolina	$822		$822		$1,643	
S. Dakota	$216		$216		$431	
Tennessee	$1,230		$1,230		$2,460	
Texas	$4,143		$4,143		$8,286	
Utah	$564		$564		$1,129	
Vermont	$191		$191		$382	
Virginia	$1,618		$1,618		$3,235	
Washington	$1,723		$1,723		$3,447	
W. Virginia	$552		$552		$1,103	
Wisconsin	$1,584		$1,584		$3,168	
Wyoming	$127		$127		$255	
American Samoa	$5		$5		$11	
Guam	$24		$24		$48	
N. Mariana Is.	$1		$1		$2	
Puerto Rico	$679		$679		$1,358	
T. Territories	$2		$2		$3	
Virgin Islands	$14		$14		$28	

Data Sources: State Student Incentive Grant Program Files.

(1) Budget authority.
(2) States must match the federal grant dollar-for-dollar. The data here assume that match.
(3) Federal program funds may not be used for administrative expenses.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
84.069 STATE STUDENT INCENTIVE GRANTS

	BENEFITS					
	Federal	(1)	State-Local	(2)	Total	(3)
United States	$76,000		$76,000		$152,000	
Alabama	$1,130		$1,130		$2,260	
Alaska	$121		$121		$241	
Arizona	$1,293		$1,293		$2,586	
Arkansas	$481		$481		$961	
California	$11,669		$11,669		$23,339	
Colorado	$1,037		$1,037		$2,074	
Connecticut	$989		$989		$1,978	
Delaware	$203		$203		$405	
D. C.	$553		$553		$1,106	
Florida	$2,377		$2,377		$4,754	
Georgia	$1,319		$1,319		$2,638	
Hawaii	$312		$312		$624	
Idaho	$254		$254		$509	
Illinois	$4,105		$4,105		$8,210	
Indiana	$1,519		$1,519		$3,038	
Iowa	$817		$817		$1,633	
Kansas	$842		$842		$1,683	
Kentucky	$928		$928		$1,855	
Louisiana	$1,081		$1,081		$2,163	
Maine	$272		$272		$544	
Maryland	$1,385		$1,385		$2,771	
Massachusetts	$2,442		$2,442		$4,884	
Michigan	$3,139		$3,139		$6,279	
Minnesota	$1,469		$1,469		$2,938	
Mississippi	$643		$643		$1,286	
Missouri	$1,501		$1,501		$3,002	
Montana	$209		$209		$419	
Nebraska	$545		$545		$1,089	
Nevada	$207		$207		$414	
New Hampshire	$265		$265		$530	
New Jersey	$1,992		$1,992		$3,984	
New Mexico	$386		$386		$771	
New York	$6,420		$6,420		$12,840	
N. Carolina	$1,649		$1,649		$3,299	
N. Dakota	$203		$203		$407	
Ohio	$3,011		$3,011		$6,022	
Oklahoma	$1,023		$1,023		$2,046	
Oregon	$976		$976		$1,951	
Pennsylvania	$3,338		$3,338		$6,676	
Rhode Island	$401		$401		$802	
S. Carolina	$822		$822		$1,643	
S. Dakota	$216		$216		$431	
Tennessee	$1,230		$1,230		$2,460	
Texas	$4,143		$4,143		$8,286	
Utah	$564		$564		$1,129	
Vermont	$191		$191		$382	
Virginia	$1,618		$1,618		$3,235	
Washington	$1,723		$1,723		$3,447	
W. Virginia	$552		$552		$1,103	
Wisconsin	$1,584		$1,584		$3,168	
Wyoming	$127		$127		$255	
American Samoa	$5		$5		$11	
Guam	$24		$24		$48	
N. Mariana Is.	$1		$1		$2	
Puerto Rico	$679		$679		$1,358	
T. Territories	$2		$2		$3	
Virgin Islands	$14		$14		$28	

Data Sources: State Student Incentive Grant Program Files.

(1) Budget authority.
(2) States must match the federal grant dollar-for-dollar. The data here assume that match.
(3) Federal program funds may not be used for administrative expenses.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.069 STATE STUDENT INCENTIVE GRANTS

	Student Recipients
United States	239,162
Alabama	2,859
Alaska	177
Arizona	3,520
Arkansas	10,292
California	18,612
Colorado	2,921
Connecticut	2,297
Delaware	
D. C.	810
Florida	6,390
Georgia	9,928
Hawaii	899
Idaho	778
Illinois	29,225
Indiana	4,154
Iowa	3,930
Kansas	3,701
Kentucky	5,250
Louisiana	2,860
Maine	2,069
Maryland	6,447
Massachusetts	4,753
Michigan	4,741
Minnesota	7,401
Mississippi	1,891
Missouri	2,436
Montana	1,103
Nebraska	1,949
Nevada	390
New Hampshire	342
New Jersey	9,998
New Mexico	2,681
New York	14,293
N. Carolina	4,309
N. Dakota	955
Ohio	5,808
Oklahoma	3,739
Oregon	14,679
Pennsylvania	5,893
Rhode Island	4,270
S. Carolina	990
S. Dakota	1,115
Tennessee	4,934
Texas	8,394
Utah	1,801
Vermont	256
Virginia	5,980
Washington	
W. Virginia	1,232
Wisconsin	3,218
Wyoming	342
American Samoa	
Guam	45
N. Mariana Is.	9
Puerto Rico	4,080
T. Territories	
Virgin Islands	16

Data Sources: State Student Incentive Grant Program Files.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.069 STATE STUDENT INCENTIVE GRANTS

	Student Recipients
United States	241,529
Alabama	2,481
Alaska	170
Arizona	3,427
Arkansas	11,697
California	17,332
Colorado	3,107
Connecticut	2,758
Delaware	199
D. C.	827
Florida	7,195
Georgia	9,967
Hawaii	918
Idaho	856
Illinois	20,194
Indiana	3,293
Iowa	3,988
Kansas	3,896
Kentucky	5,283
Louisiana	3,049
Maine	3,277
Maryland	6,625
Massachusetts	5,176
Michigan	6,291
Minnesota	5,619
Mississippi	1,994
Missouri	2,317
Montana	1,080
Nebraska	2,507
Nevada	449
New Hampshire	1,411
New Jersey	10,028
New Mexico	1,796
New York	14,491
N. Carolina	4,936
N. Dakota	958
Ohio	5,725
Oklahoma	2,146
Oregon	15,248
Pennsylvania	6,455
Rhode Island	4,150
S. Carolina	1,052
S. Dakota	1,014
Tennessee	4,935
Texas	9,574
Utah	1,850
Vermont	257
Virginia	5,964
Washington	5,812
W. Virginia	1,279
Wisconsin	2,330
Wyoming	188
Guam	45
Puerto Rico	3,894
Virgin Islands	19

Data Sources: State Student Incentive Grant Program Files.

X. A. MEAN FY 85 COSTS PER UNIT SERVED
84.069 STATE STUDENT INCENTIVE GRANTS

	Federal	State-Local	Total
United States	$318	$318	$636
Alabama	$198	$198	$395
Alaska	$341	$341	$682
Arizona	$184	$184	$367
Arkansas	$23	$23	$47
California	$351	$351	$702
Colorado	$178	$178	$355
Connecticut	$215	$215	$431
Delaware			
D. C.	$341	$341	$683
Florida	$186	$186	$372
Georgia	$66	$66	$133
Hawaii	$174	$174	$347
Idaho	$163	$163	$327
Illinois	$70	$70	$140
Indiana	$183	$183	$366
Iowa	$104	$104	$208
Kansas	$114	$114	$227
Kentucky	$88	$88	$177
Louisiana	$189	$189	$378
Maine	$66	$66	$132
Maryland	$107	$107	$215
Massachusette	$257	$257	$514
Michigan	$331	$331	$662
Minnesota	$99	$99	$198
Mississippi	$170	$170	$340
Missouri	$308	$308	$616
Montana	$95	$95	$190
Nebraska	$140	$140	$279
Nevada	$266	$266	$531
New Hampshire	$387	$387	$774
New Jersey	$100	$100	$199
New Mexico	$72	$72	$144
New York	$225	$225	$449
N. Carolina	$191	$191	$383
N. Dakota	$107	$107	$213
Ohio	$259	$259	$518
Oklahoma	$137	$137	$274
Oregon	$33	$33	$66
Pennsylvania	$283	$283	$566
Rhode Island	$47	$47	$94
S. Carolina	$415	$415	$830
S. Dakota	$97	$97	$193
Tennessee	$125	$125	$249
Texas	$247	$247	$494
Utah	$157	$157	$313
Vermont	$373	$373	$745
Virginia	$135	$135	$271
Washington			
W. Virginia	$224	$224	$448
Wisconsin	$246	$246	$492
Wyoming	$186	$186	$372
American Samoa			
Guam	$267	$267	$535
N. Mariana Is.	$52	$52	$103
Puerto Rico	$83	$83	$166
T. Territories			
Virgin Islands	$430	$430	$861

Data Sources: State Student Incentive Grant Program Files.

X. B. MEAN FY 85 COSTS PER UNIT SERVED
84.069 STATE STUDENT INCENTIVE GRANTS

	Federal	State-Local	Total
United States	$315	$315	$629
Alabama	$228	$228	$456
Alaska	$355	$355	$710
Arizona	$189	$189	$377
Arkansas	$21	$21	$41
California	$337	$337	$673
Colorado	$167	$167	$334
Connecticut	$179	$179	$359
Delaware	$509	$509	$1,018
D. C.	$334	$334	$669
Florida	$165	$165	$330
Georgia	$66	$66	$132
Hawaii	$170	$170	$340
Idaho	$149	$149	$297
Illinois	$102	$102	$203
Indiana	$231	$231	$461
Iowa	$102	$102	$205
Kansas	$108	$108	$216
Kentucky	$88	$88	$176
Louisiana	$177	$177	$355
Maine	$42	$42	$83
Maryland	$105	$105	$209
Massachusetts	$236	$236	$472
Michigan	$250	$250	$499
Minnesota	$131	$131	$261
Mississippi	$161	$161	$322
Missouri	$324	$324	$648
Montana	$97	$97	$194
Nebraska	$109	$109	$217
Nevada	$231	$231	$461
New Hampshire	$94	$94	$188
New Jersey	$99	$99	$199
New Mexico	$107	$107	$215
New York	$222	$222	$443
N. Carolina	$167	$167	$334
N. Dakota	$106	$106	$212
Ohio	$263	$263	$526
Oklahoma	$238	$238	$477
Oregon	$32	$32	$64
Pennsylvania	$259	$259	$517
Rhode Island	$48	$48	$97
S. Carolina	$391	$391	$781
S. Dakota	$106	$106	$213
Tennessee	$125	$125	$249
Texas	$216	$216	$433
Utah	$153	$153	$305
Vermont	$371	$371	$742
Virginia	$136	$136	$271
Washington	$148	$148	$297
W. Virginia	$216	$216	$431
Wisconsin	$340	$340	$680
Wyoming	$339	$339	$678
American Samoa			
Guam	$267	$267	$535
N. Mariana Is.			
Puerto Rico	$87	$87	$174
T. Territories			
Virgin Islands	$362	$362	$725

Data Sources: State Student Incentive Grant Program Files.

XI. HISTORICAL DATA (Dollars in thousands)
84.069 STATE STUDENT INCENTIVE GRANTS

Federal Fiscal Year	Federal Budget Authority	State-Local Spending	Student Recipients	Federal Staff
1985	$76,000	$76,000	239,162	5
1984	$76,000	$76,000	241,529	6
1983	$60,000	$60,000	200,770	6
1982	$73,680	$73,680	278,230	5
1981	$76,750	$76,750	280,843	5
1980	$76,750	$76,750	274,973	5
1979	$76,750	$76,750	259,339	8
1978	$63,750	$63,750	213,693	9
1977	$60,000	$60,000	240,000	9
1976	$44,000	$44,000	176,000	8
1975	$20,000	$20,000	80,000	8
1974	$20,000	$20,000	76,000	8
1973				
1972				
1971				
1970				
1969				
1968				
1967				
1966				
1965				
1964				
1963				
1962				
1961				
1960				

Data Sources: State Student Incentive Grant Program Files.

UPWARD BOUND

I. PROGRAM SUMMARY

Upward Bound awards federal grants to local projects that help low income youths and potential first generation college students generate the skills and motivation necessary for success in education beyond high school. State and local governments play no formal role in administering the projects, though the Upward Bound program does work very closely with local school systems. Grantees are typically public and private nonprofit organizations and institutions of higher education.

Upward Bound projects primarily provide educational services such as academic instruction and tutoring, career guidance and counseling, and exposure to cultural events. Funds may also be used to support a residential summer program and to pay stipends to students, not to exceed $40 per month during the academic year and $60 per month during the summer. Each project is responsible for determining the specific individual needs of participants.

Eligibility is limited to students at least age 13, but not older than age 19. (Veterans do not need to meet these age requirements.) Two-thirds of a project's participants must be from low income families and must also be potential first generation college students; the remaining participants must be either from low income families or potential first generation college students. Low income is defined as federal taxable income less than 150 percent of the poverty thresholds established by the U.S. Bureau of the Census.

Most projects are not able to serve all eligible applicants and maintain waiting lists. The selection of participants is based, in part, on the student's academic record, recommendations from school staff, and parental commitment to the project. Most projects pick up students at the start of 10th grade and continue through high school graduation. Approximately 80 percent of Upward Bound graduates go on to postsecondary education.

In FY 1985, Upward Bound funded 421 projects serving 32,200 students at a total federal cost of about $74 million. There are no matching requirements for funds from non-federal sources. Upward Bound grants are awarded on the basis of an open competition which considers a range of criteria, from the project's qualifications and past performance to the community's support and relative need.

II. ADMINISTRATION

A. Program name: Upward Bound.

B. Catalog of Federal Domestic Assistance No.: 84.047
Budget account number(s): 91-0201-0-1-502.

C. Current authorizing statute: Higher Education Act of 1965, Title IV, Sections 417A and 417C.

D. Location of program regulations in the Code of Federal Regulations: 34 CFR Part 645.

E. Federal administering agency: Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: Public and private nonprofit organizations; institutions of higher education; local school districts.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Allocation of federal funds to grantees under the Upward Bound Program is made of the basis of open competition. There are no formulas or matching requirements. The allocation to a grantee is discretionary and is governed principally by the amount of funds appropriated and available in relation to demand.

I. Role of state and local governments in administering the program.

No formal relationship between state and local governments and the Upward Bound program is called for in the statute. However, Upward Bound projects do work very closely with local school systems.

J. Audit or quality control.

The Education Department General Administrative Regulations (EDGAR), 34 CFR, provide guidance to grantees for administrative efficiency. If the EDGAR standards are not met, the Department may delay the awarding of funds for the second and third years of the grant. EDGAR also requires the grantee to repay any funds that were not expended in accordance with the terms of agreement for funding.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

To generate the skills and the motivation needed by low income persons, who have not yet completed high school, to be admitted, enrolled, and successful in programs of education beyond high school.

B. Allocation of program funds among activities.

Individual projects determine specific needs of participants based on individual needs assessments. Resources are allocated on the basis of highest priority needs. Most grants include an eight percent indirect cost allowance to cover costs of administration.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual students are determined eligible.

B. Income eligibility standards.

To be eligible, the student's family's taxable income must be less than 150 percent of the poverty threshold established by the Bureau of the Census. Taxable income is defined by the federal Internal Revenue Service.

No asset limitations are applied.

C. Other eligibility requirements.

Two-thirds of project participants must be low income and potential first-generation college students. The other one-third must be one or the other.

Veterans do not need to meet age requirements. All others must be at least 13 years of age, but not older than 19, and have completed at least 8 years of elementary education. In FY 1985, approximately 1,800 participants were veterans; 29,000 were youth between the ages 13 and 19.

Participants must be U.S. citizens.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Individuals are selected for participation in Upward Bound programs based upon:

- Voluntary application;
- Recommendations of high school principals, guidance counselors, and teachers;
- Parental commitment to the program;
- Referral of local agencies;
- Academic record.

B. Program benefits or services.

Benefits are principally academic instruction, tutoring, and counseling. A stipend, not to exceed $40 per month during the academic year and $60 per month during the summer component, is paid to participants based on their satisfactory participation in program activities.

Because the academic growth rates of participants vary widely, services are tailored to individual needs as determined by the project staff. Such services may include:

- Career exploration and counseling;
- Exposure to cultural events and other educational activities not usually available to disadvantaged youth;
- Financial aid information;
- Language instruction for persons with limited proficiency in English.

C. Duration of benefits.

The duration of benefits is governed only by satisfactory participation and progress in meeting the academic objectives of the program.

The majority of the projects pick up students at the start of 10th grade and continue through the completion of 12th grade. Many projects offer a summer "bridge" program after high school graduation preparing students for fall enrollment in college.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

The program has no provisions for categorical or automatic eligibility. AFDC, Food Stamps, and some other forms of assistance may serve as substitute documentation to meet the low income requirement.

B. Counting assistance from other programs.

Program rules require that applicants to an Upward Bound Program provide evidence of their "Taxable Income" as reported on the most recently filed I.R.S. form (1040, 1040a). Federal benefits that are excludable from "Taxable Income" are excludable for purposes of determining Upward Bound eligibility and once eligibility has been established, a participant is entitled to all benefits or services.

C. Overlapping authorities and benefits.

The Health Career Opportunities Program (HCOP) and the Talent Search Program provide similar services to roughly the same population. HCOP is limited to students aspiring to careers to in the health professions. Talent Search is limited to identifying, encouraging, and assisting low income youth apply for admission to college.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and in the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Education

House of Representatives

Committee on Education and Labor
    Subcommittee on Postsecondary Education

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

The Upward Bound Program has remained essentially the same since its inception in the 1964 Economic Opportunity Act. In 1968, the program was transferred from the Office of Economic Opportunity to the Office of Education without any changes in the program's goals or objectives.

E. Major federal implementing regulations and regulatory changes.

The only major regulatory changes made to the previously promulgated regulations (May, 1977) were in 1981. These changes were designed to:

- Reduce regulatory complexity;
- Implement the legislative change requiring the Secretary to give priority to previously funded projects under the program;
- Refine selection criteria to bring them into conformity with EDGAR;
- Sharpen participant eligibility criteria in accordance with the Education Amendments of 1980.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
84.047 UPWARD BOUND

		Total	(1)
United States		$72,706	
Alabama		$2,021	
Alaska		$418	
Arizona		$663	
Arkansas		$1,242	
California		$6,603	
Colorado		$1,152	
Connecticut		$742	
Delaware		$302	
D. C.		$605	
Florida		$1,494	
Georgia		$2,325	
Hawaii		$497	
Idaho		$470	
Illinois		$2,113	
Indiana		$1,109	
Iowa		$1,477	
Kansas		$679	
Kentucky		$1,701	
Louisiana		$1,882	
Maine		$701	
Maryland		$1,333	
Massachusetts		$1,817	
Michigan		$3,253	
Minnesota		$1,277	
Mississippi		$1,418	
Missouri		$430	
Montana		$348	
Nebraska		$217	
Nevada		$309	
New Hampshire		$364	
New Jersey		$2,328	
New Mexico		$943	
New York		$3,875	
N. Carolina		$1,215	
N. Dakota		$413	
Ohio		$2,793	
Oklahoma		$1,490	
Oregon		$934	
Pennsylvania		$3,692	
Rhode Island		$232	
S. Carolina		$1,312	
S. Dakota		$300	
Tennessee		$1,671	
Texas		$4,271	
Utah		$1,061	
Vermont		$493	
Virginia		$1,418	
Washington		$966	
W. Virginia		$713	
Wisconsin		$940	
Wyoming		$174	
Guam		$430	
Puerto Rico		$1,862	
Virgin Islands		$218	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Grants typically include an eight percent indirect cost allowance for administering the program.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
84.047 UPWARD BOUND

		Total	(1)
United States		$70,754	
Alabama		$1,950	
Alaska		$400	
Arizona		$635	
Arkansas		$1,203	
California		$6,319	
Colorado		$1,102	
Connecticut		$710	
Delaware		$283	
D. C.		$579	
Florida		$1,430	
Georgia		$2,225	
Hawaii		$476	
Idaho		$449	
Illinois		$2,045	
Indiana		$1,063	
Iowa		$1,414	
Kansas		$650	
Kentucky		$1,627	
Louisiana		$1,801	
Maine		$673	
Maryland		$1,275	
Massachusetts		$1,700	
Michigan		$3,115	
Minnesota		$1,222	
Mississippi		$1,360	
Missouri		$415	
Montana		$333	
Nebraska		$208	
Nevada		$296	
New Hampshire		$348	
New Jersey		$2,251	
New Mexico		$902	
New York		$3,711	
N. Carolina		$2,125	
N. Dakota		$395	
Ohio		$2,673	
Oklahoma		$1,426	
Oregon		$894	
Pennsylvania		$3,533	
Rhode Island		$222	
S. Carolina		$1,256	
S. Dakota		$287	
Tennessee		$1,600	
Texas		$4,089	
Utah		$1,015	
Vermont		$472	
Virginia		$1,357	
Washington		$925	
W. Virginia		$682	
Wisconsin		$900	
Wyoming		$167	
Guam		$411	
Puerto Rico		$1,947	
Virgin Islands		$208	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Grants typically include an eight percent indirect cost allowance for administering the program.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.047 UPWARD BOUND

		Students Served	(1)
United States		32,158	
Alabama		1,050	
Alaska		120	
Arizona		465	
Arkansas		506	
California		2,630	
Colorado		535	
Connecticut		224	
Delaware		155	
D. C.		275	
Florida		615	
Georgia		1,135	
Hawaii		175	
Idaho		180	
Illinois		1,030	
Indiana		555	
Iowa		536	
Kansas		230	
Kentucky		770	
Louisiana		910	
Maine		300	
Maryland		725	
Massachusetts		780	
Michigan		1,419	
Minnesota		565	
Mississippi		630	
Missouri		195	
Montana		115	
Nebraska		75	
Nevada		100	
New Hampshire		140	
New Jersey		1,066	
New Mexico		380	
New York		1,732	
N. Carolina		949	
N. Dakota		245	
Ohio		1,345	
Oklahoma		535	
Oregon		405	
Pennsylvania		1,465	
Rhode Island		100	
S. Carolina		585	
S. Dakota		120	
Tennessee		795	
Texas		1,806	
Utah		417	
Vermont		165	
Virginia		668	
Washington		310	
W. Virginia		305	
Wisconsin		390	
Wyoming		70	
Guam		200	
Puerto Rico		865	
Virgin Islands		100	

Data Sources: Annual Performance Reports submitted by Grantees to the Grantees.

(1) Based on unduplicated annual count.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.047 UPWARD BOUND

		Students Served	(1)
United States		32,238	
Alabama		1,050	
Alaska		120	
Arizona		465	
Arkansas		506	
California		2,630	
Colorado		535	
Connecticut		224	
Delaware		155	
D. C.		275	
Florida		615	
Georgia		1,135	
Hawaii		175	
Idaho		180	
Illinois		1,030	
Indiana		555	
Iowa		536	
Kansas		230	
Kentucky		770	
Louisiana		910	
Maine		300	
Maryland		725	
Massachusetts		780	
Michigan		1,419	
Minnesota		565	
Mississippi		630	
Missouri		195	
Montana		115	
Nebraska		75	
Nevada		100	
New Hampshire		140	
New Jersey		1,066	
New Mexico		380	
New York		1,732	
N. Carolina		949	
N. Dakota		245	
Ohio		1,345	
Oklahoma		535	
Oregon		405	
Pennsylvania		1,465	
Rhode Island		100	
S. Carolina		585	
S. Dakota		120	
Tennessee		795	
Texas		1,806	
Utah		417	
Vermont		165	
Virginia		668	
Washington		310	
W. Virginia		305	
Wisconsin		390	
Wyoming		70	
Guam		200	
Puerto Rico		945	
Virgin Islands		100	

Data Sources: Annual Performace Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.

X. A. MEAN FY 85 COSTS PER UNIT SERVED
84.047 UPWARD BOUND

		Total	(1)
United States		$2,261	
Alabama		$1,925	
Alaska		$3,483	
Arizona		$1,426	
Arkansas		$2,455	
California		$2,511	
Colorado		$2,153	
Connecticut		$3,313	
Delaware		$1,948	
D. C.		$2,200	
Florida		$2,429	
Georgia		$2,048	
Hawaii		$2,840	
Idaho		$2,611	
Illinois		$2,051	
Indiana		$1,996	
Iowa		$2,756	
Kansas		$2,952	
Kentucky		$2,209	
Louisiana		$2,068	
Maine		$2,337	
Maryland		$1,839	
Massachusetts		$2,329	
Michigan		$2,292	
Minnesota		$2,280	
Mississippi		$2,251	
Missouri		$2,205	
Montana		$3,026	
Nebraksa		$2,893	
Nevada		$3,090	
New Hampshire		$2,600	
New Jersey		$2,184	
New Mexico		$2,482	
New York		$2,237	
North Carolina		$1,280	
North Dakota		$1,686	
Ohio		$2,077	
Oklahoma		$2,785	
Oregon		$2,306	
Pennsylvania		$2,520	
Rhode Island		$2,320	
S. Carolina		$2,243	
S. Dakota		$2,500	
Tennessee		$2,102	
Texas		$2,365	
Utah		$2,544	
Vermont		$2,988	
Virginia		$2,123	
Washington		$3,116	
W. Virginia		$2,338	
Wisconsin		$2,410	
Wyoming		$2,488	
Guam		$2,150	
Puerto Rico		$2,153	
Virgin Islands		$2,180	

Data Sources: Annual Performance Reports submitted by Grantees to the Department

(1) Spending from Table VIII.A. divided by units from Table IX.A.

X. B. MEAN FY 84 COSTS PER UNIT SERVED
84.047 UPWARD BOUND

		Total	(1)
United States		$2,195	
Alabama		$1,857	
Alaska		$3,333	
Arizona		$1,366	
Arkansas		$2,377	
California		$2,403	
Colorado		$2,060	
Connecticut		$3,170	
Delaware		$1,826	
D. C.		$2,105	
Florida		$2,325	
Georgia		$1,960	
Hawaii		$2,720	
Idaho		$2,494	
Illinois		$1,985	
Indiana		$1,915	
Iowa		$2,638	
Kansas		$2,826	
Kentucky		$2,113	
Louisiana		$1,979	
Maine		$2,243	
Maryland		$1,759	
Massachusetts		$2,179	
Michigan		$2,195	
Minnesota		$2,163	
Mississippi		$2,159	
Missouri		$2,128	
Montana		$2,896	
Nebraksa		$2,773	
Nevada		$2,960	
New Hampshire		$2,486	
New Jersey		$2,112	
New Mexico		$2,374	
New York		$2,143	
North Carolina		$2,239	
North Dakota		$1,612	
Ohio		$1,987	
Oklahoma		$2,665	
Oregon		$2,207	
Pennsylvania		$2,412	
Rhode Island		$2,220	
S. Carolina		$2,147	
S. Dakota		$2,392	
Tennessee		$2,013	
Texas		$2,264	
Utah		$2,434	
Vermont		$2,861	
Virginia		$2,031	
Washington		$2,984	
W. Virginia		$2,236	
Wisconsin		$2,308	
Wyoming		$2,386	
Guam		$2,055	
Puerto Rico		$2,060	
Virgin Islands		$2,080	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Spending from Table VIII.B. divided by units from Table IX.B.

XI. HISTORICAL DATA (Dollars in thousands)
84.047 UPWARD BOUND

Federal Fiscal Year	Federal Budget Authority	Students Served	Federal Staff
1985	$73,814	32,200	5
1984	$70,754	32,200	6
1983	$68,366	32,600	10
1982	$63,720	35,803	12
1981	$66,500	37,680	16
1980	$62,500	37,210	17
1979	$58,800	35,391	17
1978	$50,000	38,843	18
1977	$41,500	38,887	23
1976	$38,100	47,517	25
1975	$38,300	48,181	28
1974	$38,300	48,603	24
1973	$38,300	51,755	22
1972	$33,600	33,809	23
1971	$30,000	28,142	20
1970	$28,000	27,346	17
1969	$30,700	25,743	16
1968	$30,000	26,639	15
1967	$28,000	23,507	20
1966	$25,000	20,333	20
1965	$3,200	3,261	10
1964			
1963			
1962			
1961			
1960			

Data Sources: Annual Perforamce Reports submitted by Grantees to the Department

STUDENT SUPPORT SERVICES
(FORMERLY SPECIAL SERVICES FOR DISADVANTAGED STUDENTS)

I. PROGRAM SUMMARY

The Student Support Services (SSS) program is intended to provide low income, first generation college students, and physically handicapped students with the supportive services they need to successfully pursue higher education. State and local governments have no formal role in administering the program. All grantees under the SSS program are institutions of higher education that determine eligibility, assess needs, and provide supportive services as needed to eligible students.

Eligibility is limited to enrolled students in need of academic support and who are disadvantaged in specific ways. At least two-thirds of a project's participants must be either physically handicapped or low income and first generation college students; the remaining participants must be physically handicapped, low income individuals, or first generation college students. Low income is defined as federal taxable income less than 150 percent of the Census poverty thresholds.

The basic SSS services feature instruction in basic skills, tutoring, guidance, and counseling. Special assistance may include programs designed for students with limited English proficiency, programs with materials and facilities designed for handicapped students, and programs of cultural and academic events not usually available to disadvantaged students. Programs may also assist students in securing admission to and financial aid for graduate and professional schools.

In FY 1985, the SSS program served about 152,000 students in 663 participating institutions at a total federal cost of about $70 million. These funds are allocated through a competitive process under a discretionary grant program administered by the Department of Education. Federal funding is capped at the level of the annual appropriation and there is no direct requirement for matching funds from non-federal sources. Participating institutions are required, however, to assure that each SSS student will receive sufficient financial assistance to meet their full financial need and SSS funds may not be used to provide this financial assistance.

II. ADMINISTRATION

A. Program name: Student Support Services.

B. Catalog of Federal Domestic Assistance No.: 84.042
Budget account number(s): 91-0201-0-1-502.

C. Current authorizing statute: Title IV, Sec. 417A and 417D, Higher Education Act.

D. Location of program regulations in the Code of Federal Regulations: 34 CFR Part 646.

E. Federal administering agency: Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: Institutions of higher education.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Funds are allocated through a competitive process under this discretionary grant program. There is no formula which governs distribution of federal funds among the grantees. Although grants are awarded for a period of three years, funds are obligated on an annual basis.

Federal funding is capped at the level of the annual appropriation. There is no requirement that other funds or commitments of time or services be used to match federal funds under this program.

I. Role of state and local governments in administering the program.

State and local governments do not have a formal role in administering the program, except in those instances when a grantee institution of higher education is state-controlled.

J. Audit or quality control.

The Education Department General Administrative Regulations (EDGAR), 34 CFR, provide guidance to grantees on administrative efficiency and require the grantee to submit annual performance and financial status reports. These reports are due 90 days after the end of the budget period.

EDGAR also requires the grantee to repay any funds that were not expended in accordance with the terms of agreement for funding. If the EDGAR standards are not met, the Department may delay the awarding of funds for the second and third years of the grant.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The purpose of the SSS program is to identify low income, first generation or physically handicapped college students and to provide them with the supportive services they need to pursue programs of postsecondary education successfully.

B. Allocation of program funds among activities.

There is no established formula for allocating program funds among the various supportive services. Funded projects provide services based on the assessed needs of the specific student population served by a project.

Most grants include an eight percent indirect cost allowance to cover the costs of administration.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Institutions of higher education are eligible to apply for grants to carry out SSS projects.

An individual is eligible to participate in SSS projects if the student:

- Is a citizen, national, or a permanent resident of the United States;
- Is enrolled or accepted for enrollment in the next term at the grantee institution;
- Has a need for academic support in order to successfully pursue a postsecondary educational program;
- Is, at the time of initial selection, a low income individual, a first-generation college student, or physically handicapped.

B. Income eligibility standards.

Students who are eligible for the project based on the low income criterion may not have taxable family incomes higher than 150 percent of the family income levels established by the Bureau of the Census for determining poverty status.

The maximum income test is based on taxable income. No other disregards, deductions, or exclusions are allowable.

C. Other eligibility requirements.

Individuals can also qualify for project services based on physical handicaps or first generation college student status. Physically handicapped is defined to mean a person who, because of a physical disability, needs specifically designed instructional materials or programs, modified physical facilities, or related services in order to participate fully in the experience and opportunities offered by postsecondary educational institutions. First-generation college student is defined to mean a person neither of whose parents received a bachelor's degree. In 1986, the definition was expanded to include persons who reside with only one parent as eligible if that parent has not received a bachelor's degree.

It is estimated that in FY 1984, 8,316, or 5.4 percent, of the SSS participants were handicapped and 105,644, or 68.6 percent, were first-generation college students.

D. Other income a recipient unit is required or expected to spend to receive benefits.

Project participants are not required nor expected to spend any portion of their adjusted gross incomes to receive the services provided by the projects.

V. BENEFITS AND SERVICES

A. Program intake processes.

Each participating institution selects project participants, usually by actively recruiting individuals enrolled or accepted for enrollment at the institution and then verifying eligibility and assessing each individual's need for academic support services. Participants are also referred by the institution's financial aid office and faculty.

B. Program benefits or services.

The supportive services that may be provided to participating students include:

- Instruction in reading, writing, study skills, mathematics, and other subjects necessary for success beyond high school;
- Personal counseling;
- Academic advice and assistance in course selection;

- Tutorial services;
- Exposure to cultural events and academic programs not usually available to disadvantaged students;
- Activities designed to acquaint students participating in the project with the range of career options available to them;
- Activities designed to assist students participating in the project in securing admission and financial assistance for enrollment in graduate and professional programs;
- Activities designed to assist students currently enrolled in two-year institutions in securing admission and financial assistance for enrollment in a four-year program of postsecondary education;
- Programs and activities specially designed for students of limited English proficiency.

In addition, participating institutions are required to provide an assurance that each participant will receive sufficient financial assistance to meet their full financial need.

There is no nationwide formula for determining the benefits that participants receive. Project staff use a number of standardized testing materials, grade point averages, and institutional records to determine the services that will be provided to individual participants. Financial aid is not provided to participants from SSS funds.

C. Duration of benefits.

No information about the average duration of participation is available. Once selected, students may participate in the project throughout the life of the project so long as the student is enrolled at the participating institution and continues to need the support services provided.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility or ineligibility.

An individual's participation in a public assistance program, upon verification, may be accepted as satisfying the criterion for eligibility based on low income status. However, participation in public assistance programs does not satisfy all eligibility requirements.

B. Counting assistance from other programs.

Program rules require that applicants provide evidence of their "Taxable Income" as reported on the most recently filed I.R.S. form (1040, 1040a). Federal benefits that are excludable from "Taxable Income" are excludable for purposes of determining program eligibility and once eligibility has been established, a participant is entitled to all benefits or services.

C. Overlapping authorities and benefits.

There are no other significant federal or federally supported low income assistance programs which provide the same benefits to the same population to meet the same needs.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and in the House of Representatives.

Senate

Committee on Labor and Human Resources
    Subcommittee on Education, Arts, and Humanities

House of Representatives

Committee on Education and Labor
    Subcommittee on Postsecondary Education

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

D. Federal legislation.

The goals and objectives of the SSS Program have not changed since its inception in 1968.

E. Major federal implementing regulations and regulatory changes.

Original regulations were promulgated in 1977. The only major changes in the regulations were in 1981 and two purposes were to be achieved:

- To simplify regulatory requirements;
- To reflect changes enacted in the Education Amendments of 1980 (e.g., clarified participant eligibility, grantee eligibility limited to institutions of higher education, use of prior experience of service delivery for grantees seeking to obtain renewal of their grants, etc.).

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
84.042 STUDENT SUPPORT SERVICES

	Total	(1)
United States	$70,076	
Alabama	$3,554	
Alaska	$124	
Arizona	$1,088	
Arkansas	$1,598	
California	$3,570	
Colorado	$862	
Connecticut	$469	
Delaware	$341	
D. C.	$425	
Florida	$1,821	
Georgia	$1,290	
Hawaii	$500	
Idaho	$267	
Illinois	$2,320	
Indiana	$1,393	
Iowa	$1,091	
Kansas	$946	
Kentucky	$1,444	
Louisiana	$1,939	
Maine	$773	
Maryland	$1,088	
Massachusetts	$1,863	
Michigan	$2,214	
Minnesota	$785	
Mississippi	$1,594	
Missouri	$1,020	
Montana	$916	
Nebraska	$383	
Nevada	$294	
New Hampshire	$371	
New Jersey	$1,298	
New Mexico	$924	
New York	$5,382	
N. Carolina	$2,716	
N. Dakota	$604	
Ohio	$1,892	
Oklahoma	$1,243	
Oregon	$588	
Pennsylvania	$1,626	
Rhode Island	$235	
S. Carolina	$1,373	
S. Dakota	$347	
Tennessee	$1,605	
Texas	$3,129	
Utah	$737	
Vermont	$571	
Virginia	$1,951	
Washington	$1,120	
W. Virginia	$630	
Wisconsin	$2,151	
Wyoming	$105	
Trust Terr.	$363	
Guam	$182	
Puerto Rico	$2,872	
Virgin Islands	$88	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Grants typically include an eight percent indirect cost allowance for administering the program.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
84.042 STUDENT SUPPORT SERVICES

	Total	(1)
United States	$67,295	
Alabama	$3,425	
Alaska	$118	
Arizona	$1,041	
Arkansas	$1,534	
California	$3,420	
Colorado	$825	
Connecticut	$449	
Delaware	$343	
D. C.	$408	
Florida	$1,743	
Georgia	$1,235	
Hawaii	$479	
Idaho	$259	
Illinois	$2,220	
Indiana	$1,318	
Iowa	$1,048	
Kansas	$908	
Kentucky	$1,382	
Louisiana	$1,858	
Maine	$740	
Maryland	$1,041	
Massachusetts	$1,789	
Michigan	$2,125	
Minnesota	$754	
Mississippi	$1,535	
Missouri	$976	
Montana	$875	
Nebraska	$388	
Nevada	$283	
New Hampshire	$355	
New Jersey	$1,245	
New Mexico	$885	
New York	$5,265	
N. Carolina	$2,599	
N. Dakota	$580	
Ohio	$1,816	
Oklahoma	$1,189	
Oregon	$582	
Pennsylvania	$1,556	
Rhode Island	$225	
S. Carolina	$1,314	
S. Dakota	$388	
Tennessee	$1,537	
Texas	$2,998	
Utah	$705	
Vermont	$533	
Virginia	$1,888	
Washington	$1,072	
W. Virginia	$803	
Wisconsin	$2,058	
Wyoming	$100	
Trust Terr.	$347	
Guam	$163	
Puerto Rico	$2,758	
Virgin Islands	$80	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Grants typically include an eight percent indirect cost allowance for administering the program.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.042 STUDENT SUPPORT SERVICES

		Participating Institutions	(1)	Students Served	(1)
United States		663		152,465	
Alabama		39		6,087	
Alaska		1		200	
Arizona		12		2,730	
Arkansas		15		3,375	
California		32		8,695	
Colorado		9		1,810	
Connecticut		4		1,300	
Delaware		4		860	
D. C.		3		800	
Florida		20		3,675	
Georgia		14		2,195	
Hawaii		4		980	
Idaho		3		630	
Illinois		22		5,426	
Indiana		12		3,128	
Iowa		12		2,505	
Kansas		10		2,300	
Kentucky		16		2,470	
Louisiana		14		4,225	
Maine		7		1,860	
Maryland		11		2,415	
Massachusetts		15		3,975	
Michigan		19		5,580	
Minnesota		9		1,795	
Mississippi		18		3,097	
Missouri		9		2,430	
Montana		10		1,892	
Nebraska		4		975	
Nevada		3		675	
New Hampshire		4		740	
New Jersey		11		2,870	
New Mexico		7		2,065	
New York		42		13,215	
N. Carolina		30		4,971	
N. Dakota		8		1,290	
Ohio		14		4,385	
Oklahoma		10		2,640	
Oregon		6		1,165	
Pennsylvania		18		3,397	
Rhode Island		2		500	
S. Carolina		16		2,740	
S. Dakota		4		605	
Tennessee		17		2,950	
Texas		25		8,237	
Utah		8		1,825	
Vermont		5		965	
Virginia		20		4,590	
Washington		10		2,210	
W. Virginia		7		1,245	
Wisconsin		19		4,595	
Wyoming		1		270	
Trust Terr		4		595	
Guam		2		165	
Puerto Rico		21		6,075	
Virgin Islands		1		75	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.042 STUDENT SUPPORT SERVICES

	Participating Institutions	(1)	Students Served	(1)
United States	652		154,244	
Alabama	39		6,117	
Alaska	1		200	
Arizona	12		2,725	
Arkansas	15		3,375	
California	32		8,373	
Colorado	9		2,010	
Connecticut	4		1,300	
Delaware	4		1,100	
D. C.	3		800	
Florida	20		3,655	
Georgia	14		2,250	
Hawaii	4		980	
Idaho	3		630	
Illinois	22		5,345	
Indiana	12		3,128	
Iowa			2,665	
Kansas	10		2,300	
Kentucky	16		2,595	
Louisiana	14		4,225	
Maine	7		1,860	
Maryland	11		2,415	
Massachusetts	15		4,175	
Michigan	19		5,750	
Minnesota	9		1,785	
Mississippi	18		3,097	
Missouri	9		2,430	
Montana	10		2,070	
Nebraska	4		975	
Nevada	3		675	
New Hampshire	4		740	
New Jersey	11		2,865	
New Mexico	7		2,065	
New York	42		13,215	
N. Carolina	30		4,931	
N. Dakota	8		1,365	
Ohio	14		4,315	
Oklahoma	10		2,640	
Oregon	6		1,165	
Pennsylvania	18		3,397	
Rhode Island	2		535	
S. Carolina	16		2,740	
S. Dakota	5		685	
Tennessee	17		2,985	
Texas	25		8,247	
Utah	8		1,825	
Vermont	5		965	
Virginia	20		4,590	
Washington	10		2,274	
W. Virginia	7		1,245	
Wisconsin	19		4,640	
Wyoming	1		270	
Trust Terr.	4		645	
Guam	2		420	
Puerto Rico	21		6,300	
Virgin Islands	1		175	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.

X. A. MEAN FY 85 COSTS PER UNIT SERVED
84.042 STUDENT SUPPORT SERVICES

	Total
United States	$460
Alabama	$584
Alaska	$621
Arizona	$398
Arkansas	$473
California	$411
Colorado	$476
Connecticut	$361
Delaware	$397
D. C.	$532
Florida	$496
Georgia	$588
Hawaii	$511
Idaho	$424
Illinois	$428
Indiana	$445
Iowa	$435
Kansas	$411
Kentucky	$585
Louisiana	$459
Maine	$416
Maryland	$450
Massachusetts	$469
Michigan	$397
Minnesota	$437
Mississippi	$515
Missouri	$420
Montana	$484
Nebraska	$393
Nevada	$436
New Hampshire	$502
New Jersey	$452
New Mexico	$448
New York	$407
N. Carolina	$546
N. Dakota	$468
Ohio	$431
Oklahoma	$471
Oregon	$504
Pennsylvania	$479
Rhode Island	$469
S. Carolina	$501
S. Dakota	$574
Tennessee	$544
Texas	$380
Utah	$404
Vermont	$592
Virginia	$425
Washington	$507
W. Virginia	$506
Wisconsin	$468
Wyoming	$388
Trust Terr.	$809
Guam	$1,104
Puerto Rico	$473
Virgin Islands	$1,169

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

X. B. MEAN FY 84 COSTS PER UNIT SERVED
84.042 STUDENT SUPPORT SERVICES

	Total
United States	$438
Alabama	$560
Alaska	$594
Arizona	$382
Arkansas	$455
California	$406
Colorado	$411
Connecticut	$345
Delaware	$312
D. C.	$510
Florida	$477
Georgia	$549
Hawaii	$489
Idaho	$411
Illinois	$415
Indiana	$421
Iowa	$393
Kansas	$394
Kentucky	$533
Louisiana	$439
Maine	$398
Maryland	$431
Massachusetts	$429
Michigan	$370
Minnesota	$423
Mississippi	$496
Missouri	$402
Montana	$423
Nebraska	$378
Nevada	$420
New Hampshire	$480
New Jersey	$435
New Mexico	$428
New York	$398
N. Carolina	$527
N. Dakota	$425
Ohio	$421
Oklahoma	$450
Oregon	$483
Pennsylvania	$458
Rhode Island	$420
S. Carolina	$480
S. Dakota	$568
Tennessee	$515
Texas	$384
Utah	$387
Vermont	$552
Virginia	$407
Washington	$471
W. Virginia	$484
Wisconsin	$443
Wyoming	$372
Trust Terr.	$537
Guam	$388
Puerto Rico	$437
Virgin Islands	$458

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

XI. HISTORICAL DATA (Dollars in thousands)
84.042 STUDENT SUPPORT SERVICES

Federal Fiscal Year	Federal Budget Authority	Students Served	(1)
1985	$70,088	152,465	
1984	$67,295	152,244	
1983	$60,556	150,293	
1982	$60,702	166,037	
1981	$63,900	181,368	
1980	$60,000	172,071	
1979	$55,000	165,222	
1978	$45,200	147,648	
1977	$30,000	123,092	
1976	$23,000	93,452	
1975	$23,000	89,753	
1974	$23,000	86,400	
1973	$23,000	73,951	
1972	$15,000	63,112	
1971	$15,000	49,921	
1970	$10,000	30,000	
1969			
1968			
1967			
1966			
1965			
1964			
1963			
1962			
1961			
1960			

Data Sources: Annual Performance Reports submitted by Grantees to the Department

(1) Based on unduplicated annual count.

TALENT SEARCH

I. PROGRAM SUMMARY

Talent Search, a program of the Department of Education, awards federal grants to local programs that help to identify, encourage, and assist low income students with the potential to obtain a college education. State and local governments play no formal role in administering the programs, though Talent Search does work closely with local school systems. The grantees who carry out the program are typically public and private nonprofit organizations and institutions of higher education.

Talent Search programs generally tutor and counsel students. The programs also disseminate information on educational opportunities and, in particular, on student financial aid; they assist students applying for financial aid and for admission or readmission to secondary or postsecondary schools; they administer standardized tests to help determine participants' interests, goals, potential, and need for services. Services are provided to meet the individual needs.

Eligibility is limited to persons at least age 12, but no older than age 27. (There are exceptions, such as veterans, to these age requirements.) Two-thirds of any program's participants must be from low income families and must also be potential first generation college students. Low income is defined as federal taxable income less than 150 percent of the federal poverty thresholds established by the Bureau of the Census. Most Talent Search programs are not able to serve all eligible applicants and maintain waiting lists.

In FY 1985, Talent Search funded 177 programs that served about 196,000 students at a total federal cost of about $21 million. There are no matching requirements for funds from non-federal sources. The amount of a grant is discretionary: the range is from about $63,000 to more than $1.2 million, and the average grant is about $106,000. All grants are awarded on the basis of open competition.

II. ADMINISTRATION

A. Program name: Talent Search.

B. Catalog of Federal Domestic Assistance No.: 84.044
Budget account number(s): 91-0201-0-1-502.

C. Current authorizing statute: Higher Education Act of 1965, Title IV, Sections 417A and 417B.

D. Location of program regulations in the Code of Federal Regulations: 34 CFR Part 643.

E. Federal administering agency: Department of Education.

F. Primary grantee (if any) receiving program funds to provide benefits: Public and private nonprofit organizations; institutions of higher education; local school districts.

G. Subgrantee (if any) receiving program funds to provide benefits: None.

H. Allocation of federal funds.

Allocation of federal funds to grantees under the Talent Search program is made on the basis of open competition. There are no caps or formulas. There are no matching requirements for funds from non-federal sources. The size of grants is discretionary and is governed principally by the amount of funds appropriated and availability in relation to demand.

I. Role of state and local governments in administering the program.

No formal relationship between state and local governments and Talent Search programs is called for in the statute. However, Talent Search projects do work very closely with local school systems.

J. Audit or quality control.

The Education Department General Administrative Regulations (EDGAR), 34 CFR, provide guidance to grantees for administrative efficiency. If the EDGAR standards are not met, the Department may delay the awarding of funds for the second and third years of the grant. EDGAR also requires the grantee to repay any funds that were not expended in accordance with the terms of agreement for funding.

III. OBJECTIVES

A. Explicit statutory and regulatory objectives for which the benefits are authorized.

The objectives of the program are to identify low income persons with academic potential, to encourage them to complete secondary school, and to help them undertake a program of postsecondary education.

B. Allocation of program funds among various activities.

Individual projects determine specific needs of participants based on individual needs assessments and survey of services not provided by high schools and community organizations. Resources are allocated on the basis of highest priority needs.

Most grants include an eight percent indirect cost allowance to cover the costs of administration.

IV. BENEFICIARY ELIGIBILITY

A. Unit for which eligibility for program benefits is determined.

Individual students are eligible.

B. Income eligibility standards.

To be eligible, the student's family's taxable income must be less than 150 percent of the poverty thresholds established by the Bureau of the Census. Taxable income is that which is defined by the federal Internal Revenue Service.

C. Other eligibility requirements.

In any given project, two-thirds of the participants must be low income and potential first-generation college students. There are no limitations on the other one-third.

Veterans do not need to meet age requirements. All others must either have completed 6 years of elementary education or be at least 12 years of age but no older than 27. If there is no Educational Opportunity Center serving the same target area as the Talent Search project, an individual may be older than 27 and still be an eligible participant. Participants must be U.S. citizens.

D. Other income a recipient unit is required or expected to spend to receive benefits.

None.

V. BENEFITS AND SERVICES

A. Program intake processes.

Project participants for Talent Search are selected based on:

- Referrals and recommendations by high school principals, counselors and teachers;
- Referrals by local agencies;
- Voluntary applications.

B. Program benefits or services.

Talent Search services are provided to meet the individual needs of participants. Program services may include:

- Administering standardized measurement instruments to determine each participant's interests, career goals, academic potential, and need for services;
- Assisting with applications for readmission to secondary schools or postsecondary institutions which provide supportive services needed by participants;
- Collecting and disseminating of information on postsecondary educational opportunities, student financial aid, academic assistance, and career options available;
- Advising and counseling students regarding career options and the appropriate postsecondary institution or institutions;
- Assisting with application for student financial aid;
- Referring participants to service agencies.

C. Duration of benefits.

Project staff determine the duration of benefits based on satisfactory progress by the student in meeting the project objectives.

Participants could be served from 6th grade or age 12 and continue through completion of 12th grade. In some cases, contact with participants is maintained for one or two years during enrollment in postsecondary education.

VI. PROGRAM LINKAGE AND OVERLAP

A. Categorical or automatic eligibility.

Individuals who receive public assistance may be considered eligible for Talent Search, but must also be potential first-generation college students.

Participation in the Educational Opportunity Centers automatically precludes participation in this program.

B. Counting assistance from other programs.

Program rules require that participants in a Talent Search program provide evidence of their "Taxable Income" as reported on the most recently filed IRS form (1040, 1040a). To the extent public assistance is not taxable, such income is excludable for purposes of determining Talent Search eligibility. Once eligibility is established, a participant is entitled to all services and benefits.

C. Overlapping authorities and benefits.

The Health Career Opportunities Program (HCOP) and Upward Bound provide similar services to roughly the same population. HCOP is limited to students aspiring to careers in health professions. Upward Bound provides academic instruction in the basic skills and a comprehensive educational summer component.

The Educational Opportunity Centers (EOC) provides similar benefits, but are targeted toward adults. Services for Talent Search and EOC may be provided to target populations of the other when no other project is located in the target area.

VII. LEGISLATIVE ENVIRONMENT

A. Authorizing committees and subcommittees in the Senate and in the House of Representatives.

Senate

Committee on Labor and Human Resources,
Subcommittee on Education, Arts and Humanities

House of Representatives

Committee on Education and Labor,
Subcommittee on Postsecondary Education

B. Appropriating subcommittees.

Senate

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

House of Representatives

Subcommittee on Labor, Health and Human Services, Education and Related Agencies

C. Other committees and subcommittees holding hearings on this program within the past two years.

None.

E. Federal legislation.

The program has remained essentially the same since its inception in 1965.

F. Major federal implementing regulations and regulatory changes.

The regulations promulgated in 1981 modified 1977 regulations (the only other published regulations) in the following ways:

- To simplify regulatory requirements;
- To provide current grantees a priority advantage based upon their prior successful performance;
- To add to client eligibility criteria (the first-generation criterion was added);
- To add tutoring as an eligible activity.

VIII. A. TOTAL FY 85 PROGRAM SPENDING (in thousands)
84.044 TALENT SEARCH

	Total	
United States	$20,736	(1)
Alabama	$604	
Alaska		(2)
Arizona	$109	
Arkansas	$311	
California	$1,357	
Colorado	$322	
Connecticut		
Delaware	$79	
D. C.	$1,367	
Florida	$340	
Georgia	$590	
Hawaii	$112	
Idaho	$208	
Illinois	$738	
Indiana	$874	
Iowa	$507	
Kansas	$257	
Kentucky	$615	
Louisiana	$836	
Maine	$139	
Maryland	$391	
Massachusetts	$283	
Michigan	$629	
Minnesota	$272	
Mississippi	$418	
Missouri	$108	
Montana	$279	
Nebraska		
Nevada		
New Hampshire	$172	
New Jersey	$611	
New Mexico	$364	
New York	$1,711	
N. Carolina	$585	
N. Dakota	$207	
Ohio	$224	
Oklahoma	$403	
Oregon	$85	
Pennsylvania	$449	
Rhode Island		
S. Carolina	$431	
S. Dakota	$88	
Tennessee	$300	
Texas	$1,268	
Utah	$105	
Vermont	$128	
Virginia	$688	
Washington	$431	
W. Virginia	$94	
Wisconsin		
Wyoming	$108	
Guam	$112	
Puerto Rico	$435	
Virgin Islands		

Data Sources: Annual Performance Reports submitted by Grantees to the Department

(1) Grants typically include an eight percent indirect cost allowance for administering the program.
(2) Blanks indicate states without Talent Search projects.

VIII. B. TOTAL FY 84 PROGRAM SPENDING (in thousands)
84.044 TALENT SEARCH

	Total	
United States	$17,714	(1)
Alabama	$677	
Alaska		(2)
Arizona	$198	
Arkansas	$270	
California	$1,307	
Colorado	$123	
Connecticut	$84	
Delaware		
D. C.	$1,353	
Florida	$308	
Georgia	$522	
Hawaii		
Idaho	$93	
Illinois	$723	
Indiana	$643	
Iowa	$261	
Kansas	$138	
Kentucky	$499	
Louisiana	$744	
Maine	$121	
Maryland	$152	
Massachusetts	$231	
Michigan	$551	
Minnesota	$163	
Mississippi	$342	
Missouri	$94	
Montana	$242	
Nebraska		
Nevada		
New Hampshire	$151	
New Jersey	$687	
New Mexico	$323	
New York	$1,770	
N. Carolina	$366	
N. Dakota	$184	
Ohio	$195	
Oklahoma	$519	
Oregon	$74	
Pennsylvania	$310	
Rhode Island		
S. Carolina	$390	
S. Dakota	$77	
Tennessee	$261	
Texas	$1,084	
Utah	$93	
Vermont	$109	
Virginia	$535	
Washington	$106	
W. Virginia	$82	
Wisconsin		
Wyoming	$92	
Guam		
Puerto Rico	$511	
Virgin Islands		

Data Sources: Annual Performance Reports submitted by Grantees to the Department

(1) Grants typically include an eight percent indirect cost allowance for administering the program.
(2) Blanks indicate states without Talent Search projects.

IX. A. FY 85 RECIPIENT CHARACTERISTICS
84.044 TALENT SEARCH

	Students Served	(1)
United States	195,988	
Alabama	5,920	
Alaska		
Arizona	600	
Arkansas	2,700	
California	13,350	
Colorado	2,860	
Connecticut		
Delaware	600	
D. C.	17,600	
Florida	3,750	
Georgia	5,150	
Hawaii	925	
Idaho	1,650	
Illinois	8,900	
Indiana	8,075	
Iowa	4,350	
Kansas	2,300	
Kentucky	5,450	
Louisiana	8,100	
Maine	1,300	
Maryland	3,450	
Massachusetts	1,950	
Michigan	6,150	
Minnesota	2,600	
Mississippi	4,000	
Missouri	1,000	
Montana	1,900	
Nebraska		
Nevada		
New Hampshire	1,628	
New Jersey	5,350	
New Mexico	2,700	
New York	14,950	
N. Carolina	6,200	
N. Dakota	1,680	
Ohio	2,800	
Oklahoma	2,650	
Oregon	700	
Pennsylvania	4,100	
Rhode Island		
S. Carolina	3,500	
S. Dakota	750	
Tennessee	2,970	
Texas	11,700	
Utah	800	
Vermont	1,500	
Virginia	6,750	
Washington	3,630	
W. Virginia	800	
Wisconsin		
Wyoming	800	
Guam	800	
Puerto Rico	4,600	
Virgin Islands		

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.

IX. B. FY 84 RECIPIENT CHARACTERISTICS
84.044 TALENT SEARCH

	Students Served	(1)
United States	190,325	
Alabama	6,855	
Alaska		
Arizona	1,850	
Arkansas	2,700	
California	14,750	
Colorado	1,100	
Connecticut	700	
Delaware		
D. C.	16,500	
Florida	3,800	
Georgia	5,150	
Hawaii		
Idaho	750	
Illinois	10,800	
Indiana	7,000	
Iowa	2,350	
Kansas	1,650	
Kentucky	5,250	
Louisiana	7,950	
Maine	1,100	
Maryland	1,550	
Massachusetts	2,400	
Michigan	6,800	
Minnesota	1,700	
Mississippi	3,350	
Missouri	1,000	
Montana	1,850	
Nebraska		
Nevada		
New Hampshire	1,470	
New Jersey	7,150	
New Mexico	2,550	
New York	18,950	
N. Carolina	4,200	
N. Dakota	1,550	
Ohio	2,700	
Oklahoma	4,700	
Oregon	700	
Pennsylvania	3,300	
Rhode Island		
S. Carolina	4,200	
S. Dakota	750	
Tennessee	2,950	
Texas	11,450	
Utah	750	
Vermont	1,000	
Virginia	5,800	
Washington	750	
W. Virginia	750	
Wisconsin		
Wyoming	750	
Guam		
Puerto Rico	5,000	
Virgin Islands		

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.

X. A. MEAN FY 85 COSTS PER UNIT SERVED (1)
84.044 TALENT SEARCH

	Total
United States	$108
Alabama	$105
Alaska	
Arizona	$108
Arkansas	$208
California	[illegible]
Colorado	$118
Connecticut	
Delaware	$84
D. C.	$78
Florida	$93
Georgia	$92
Hawaii	$128
Idaho	$103
Illinois	$134
Indiana	$116
Iowa	$114
Kansas	$140
Kentucky	$93
Louisiana	$157
Maine	$145
Maryland	$110
Massachusetts	$158
Michigan	$117
Minnesota	$104
Mississippi	$418
Missouri	$112
Montana	$144
Nebraska	
Nevada	$90
New Hampshire	$133
New Jersey	$131
New Mexico	$115
New York	$95
Ohio	$114
Oklahoma	$128
Oregon	$159
Pennsylvania	$97
Rhode Island	$140
S. Carolina	$92
S. Dakota	$88
Tennessee	$110
Texas	$155
Utah	$104
Vermont	$138
Virginia	$88
Washington	$132
W. Virginia	$125
Wisconsin	
Wyoming	$112
Guam	$187
Puerto Rico	$153
Virgin Islands	

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.

X. B. MEAN FY 84 COSTS PER UNIT SERVED (1)
84.044 TALENT SEARCH

	Total
United States	$93
Alabama	$78
Alaska	
Arizona	$101
Arkansas	$135
California	$129
Colorado	$123
Connecticut	$84
Delaware	
D. C.	$82
Florida	$77
Georgia	$75
Hawaii	
Idaho	$93
Illinois	$120
Indiana	$107
Iowa	$87
Kansas	$138
Kentucky	$83
Louisiana	$124
Maine	$121
Maryland	$78
Massachusetts	$116
Michigan	$92
Minnesota	$81
Mississippi	$86
Missouri	$94
Montana	$121
Nebraska	
Nevada	
New Hampshire	$75
New Jersey	$111
New Mexico	$108
New York	$105
North Carolina	$74
North Dakota	$92
Ohio	$97
Oklahoma	$104
Oregon	$74
Pennsylvania	$103
Rhode Island	
S. Carolina	$78
S. Dakota	$77
Tennessee	$87
Texas	$120
Utah	$83
Vermont	$109
Virginia	$77
Washington	$106
W. Virginia	$82
Wisconsin	
Wyoming	$92
Guam	
Puerto Rico	$127
Virgin Islands	

Data Sources: Annual Performace Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.

XI. HISTORICAL DATA (Dollars in thousands)
84.044 TALENT SEARCH

Federal Fiscal Year	Federal Budget Authority	Students Served (1)	Federal Staff (2)
1985	$20,728	195,988	2
1984	$17,629	190,325	2
1983	$17,058	185,560	4
1982	$17,058	195,176	4
1981	$17,100	202,611	5
1980	$15,300	202,033	6
1979	$15,300	198,817	8
1978	$12,500	169,022	8
1977	$8,900	146,565	7
1976	$6,000	110,982	6
1975	$6,000	122,810	5
1974	$6,000	110,975	5
1973	$6,000	109,025	5
1972	$5,000	125,243	5
1971	$5,000	126,652	5
1970	$5,000	125,000	5
1969	$4,000	100,000	5
1968	$4,000	97,500	5
1967	$2,500	62,500	3
1966	$2,000	50,000	3
1965			
1964			
1963			
1962			
1961			
1960			

Data Sources: Annual Performance Reports submitted by Grantees to the Department.

(1) Based on unduplicated annual count.
(2) Based on Full Time Employees.

Introduction to Part Two

This part includes short descriptions of 31 federal programs, including smaller means-tested grant programs and programs which ordinarily do not require a means-test for individual beneficiaries, but in some sense target the distribution of funds to areas or groups which are regarded as low income. Generally, means-tested grant programs were included in the list of major federal public assistance programs described in Part One if their FY 1985 spending was above $20 million. Those with less spending are included here. However, a number of very small or very restrictive means-tested programs were omitted from Part Two as well.

The programs are listed here as they are in Table 1 of Up From Dependency, in descending order of total FY 1985 program spending.

COMMUNITY DEVELOPMENT BLOCK GRANTS

The Community Development Block Grant (CDBG) Program provides federal funds to states, urban counties, and cities to support neighborhood revitalization, economic development, and improved community facilities and services. The CDBG program, under the Department of Housing and Urban Development, has three main components: an entitlement program for large cities and urban counties, a small cities program for communities with populations under 50,000 persons, and a discretionary program for special projects. Under the block grant approach adopted in 1981, communities and states have considerable discretion to set priorities and to design programs.

Uses of CDBG funds must principally benefit low and moderate income persons. This target group is generally defined as families with less than 80 percent of the median family income for the area. Communities are restricted from using CDBG funds to construct or rehabilitate government buildings or such community-wide facilities as stadiums, sports arenas, or convention centers. Communities also cannot use the block grants to underwrite new housing or to make housing allowance and other income maintenance payments.

Typical CDBG projects include the restoration or construction of public works such as water and sewer systems, the clearance or rehabilitation of housing, and assistance for private businesses and nonprofit organizations that are neighborhood-based and engaged in activities that enhance the economic opportunities of local residents. Funds are also used to prevent or eliminate slums and blight, to complete urban renewal projects, and to provide public services within certain limits. The discretionary program funds are used, in particular, to provide the skills and knowledge needed by local residents to maximize the effectiveness of the block grants.

In FY 1985, about 875 projects were funded at a total federal cost of about $3.8 billion. The funds a community or state receives are determined by dual allocation formulas based on factors such as population size and growth, the extent of pre-1940 and overcrowded housing, and the number of persons with incomes below the federal poverty guidelines. There are no matching requirements for funds from non-federal sources.

VOCATIONAL REHABILITATION SERVICES

The federal government provides funds to states to support vocational rehabilitation services that enable physically and mentally disabled adults to find and retain employment. A single agency in each state is designated to administer vocational rehabilitation services and to serve as the single point of contact for applicants in need. The state agency is responsible for assessing needs, determining ability to pay, and providing a wide variety of services tailored to enhance an individual's employability.

While there is no federally mandated means-test for program eligibility, about two-thirds of all states apply such tests to determine which clients can pay for at least some of the services they receive. The ability to pay or copayment thresholds are often established at the federal poverty guidelines. Thus, all disabled persons are eligible for diagnostic, counseling, and placement services, but receipt of most other rehabilitation services is frequently means-tested. About 60 percent of all participants are estimated to have incomes below the federal poverty guidelines, but only about 15 percent are receiving public assistance at the time of referral for services.

In addition to the services available to all disabled persons, the state vocational rehabilitation agencies provide education and training, including, for example, reader services for the blind and interpreter services for the deaf. The state may also assist with medical services, with prosthetic or orthotic devices, and with other tools, supplies, and licenses. Services may also be provided to the families of clients when such services will contribute substantially to the rehabilitation of the disabled persons. Priority service is focused on those persons with the most severe disabilities and in all cases has the goal of gainful employment for the client.

In FY 1985, about 1.4 million persons applied for state vocational rehabilitation services and about 932,000 persons were assisted. Under the 80/20 matching requirement, the programs were funded by about $1 billion in federal dollars and about $330 million in state monies; some states provide additional funds beyond the matching requirements. The federal funds are allocated to the states based on population weighted by per capita income.

VOCATIONAL EDUCATION BASIC GRANTS

The Department of Education awards grants to the states to expand, improve, modernize, and develop quality vocational education programs. These programs are designed to assist current and future workers in acquiring the basic academic and occupational skills necessary for improved productivity and economic development.

Special populations, among which are academically or economically disadvantaged groups, are also eligible for services under basic grants. In addition to providing extra services and insuring access for special populations, this program promotes greater cooperation between public and private sectors; improves the basic academic preparation of vocational students; provides services to train, retrain, and upgrade the skills of displaced workers; assists the most economically depressed inner city and rural youth through cooperative programs in community-based organizations; provides a full range of support services.

The FY 1987 appropriation (for program year 1987-88) provides $882 million for vocational education, including the Permanent Appropriation under the Smith-Hughes Act. Of this, $809.5 million is for basic grants. Generally, States are required to match these federal appropriations on a dollar-for-dollar basis, but they have, in the past few years, overmatched federal contributions on the average of over 10 to 1. The federal funds are allocated to the states according to a formula based on the states' relative share of total U.S. population in three age cohorts, weighted by per capita income. There are also provisions for minimum funding levels.

State and local governments play key roles in the program. State Boards must develop (and have approved) two-year state plans on how they will administer the program, meet its many matching and set-aside requirements, and distribute the funds to local education agencies and a range of other institutions.

After allowing 7 percent for state administration, the law requires that the states allocate the remainder of their grants in the following way: 57 percent for vocational education opportunities (Title II, Part A) and 43 percent for program improvement, expansion, and innovation (Title II, Part B). The 57 percent for vocational education opportunities is further divided as follows: 22 percent for special programs and services to disadvantaged populations, including persons of limited English proficiency; 12 percent for adults in need of training or retraining; 10 percent for handicapped individuals; 8.5 percent for single parents and homemakers; 3.5 percent to help eliminate sex bias and stereotyping; 1 percent for criminal offenders.

The $809.5 million available from the 1987 federal appropriation for basic grants, after taking out $56.6 million for state administration, provides the following set-asides: disadvantaged - $165.6 million; adults - $90.3 million; handicapped - $75.3 million; single parents and homemakers - $63.9 million; sex equity - $26.3 million; correctional institutions - $7.5 million. For program improvement, $323.7 million is available; an additional $12.5 million is available for programs for Indians and Hawaiian natives.

Included in the eligibility for disadvantaged services, if such services are needed, are members of economically disadvantaged families, persons of limited English proficiency, and academically disadvantaged persons, including migrants and school dropouts. Economically disadvantaged persons include members of households with incomes that do not exceed the federal poverty guidelines and also persons eligible for AFDC, free or reduced price lunches, Pell Grants, or programs assisted under Title II of the Job Training Partnership Act. Funds provided under the disadvantaged or handicapped set-asides may be used to provide supplemental staff, equipment, materials, or services that are not provided to other individuals in vocational education and that are essential in order for these persons to participate fully in the program. These services may also include special counseling, tutoring, remedial education, teacher aides, and adaptive tools that assist these students to succeed in vocational education.

CHILD SUPPORT ENFORCEMENT

Title IV-D of the Social Security Act authorizes the use of federal matching funds to enforce the support obligations owed by absent parents to their children, to locate absent parents, and to establish paternity. State governments administer the program, but the federal government plays a major role by funding state programs and by rendering technical assistance to the states. States are required to designate a single and separate agency for child support enforcement that serves as the contact point for applicants in need.

States must provide services to persons receiving AFDC, to families whose AFDC eligibility ends due to receipt of child support, and to non-AFDC families that apply and pay an application fee which may be as high as $25. States must also seek to establish the paternity of an AFDC child born out of wedlock, to locate absent parents, and to obtain support payments by working in cooperation with other states and the federal government.

The federal role includes interception of federal income tax refunds in amounts equal to past-due support payments, computerized searches of public records to obtain the most recent address and place of employment of absent parents, and access to federal courts to enforce support obligations. In addition, the federal government provides technical assistance to states establishing their own enforcement mechanisms, tests innovative approaches to support enforcement, and allows garnishment of federal or military wages to enforce support obligations.

Collections made on behalf of AFDC families are used to offset the costs of AFDC payments, except that the AFDC families retain the first $50 of child support collected in a month. In FY 1985, about $1.1 billion was collected on behalf of AFDC recipients and about $1.6 billion on behalf of non-AFDC families. In addition, about 232,000 paternities were established, about 874,000 absent parents were located, and about 661,000 support obligations were established.

In FY 1985, the federal government paid 70 percent of state and local administrative costs on an open-ended entitlement basis. In addition, 90 percent federal matching was available to establish statewide automated data processing and information retrieval systems in the states. In FY 1985, the total federal cost of the program was about $572 million.

URBAN DEVELOPMENT ACTION GRANTS

The Urban Development Action Grant (UDAG) Program, under the Department of Housing and Urban Development, assists severely distressed communities by increasing public and private investments that stimulate employment, improve housing, and strengthen tax bases. Grants are awarded on a competitive basis and are contingent upon commitments of private resources to the proposed projects. Grantees are generally cities and urban counties.

No specific population subgroup is targeted as beneficiaries of the UDAG program. However, both the eligibility requirements for applicants and the criteria used to select projects tend to focus grants on low income communities. To be eligible under UDAG, a city or urban county must meet minimum standards of fiscal and economic distress, have housing for low and moderate income persons, and demonstrated results in providing equal opportunity in housing and employment. The criteria used to award the competitive grants, in effect, give priority to projects within communities that have higher rates of poverty, unemployment, and aged housing.

Grants are limited to projects that meet certain other conditions. No projects will be funded unless there are firm and substantial commitments to invest private resources. Projects which include financial assistance from state and local governments are given more favorable consideration. Little or no UDAG funding may be used for planning; no funds may be used to provide public services. Under most circumstances, funding may not be used to facilitate the relocation of industrial or commercial plants from one area to another.

In FY 1985, the federal government awarded about $497 million to projects. Grant applications projected about 54,200 jobs and about 35,800 housing units would be created with the funds, although, based on analysis of such projections for 1982, it is likely that the actual numbers of jobs and units will be substantially lower. About 66 percent of the jobs created and about 43 percent of the housing units went to persons with incomes below the federal poverty guidelines.

TITLE III NUTRITION PROGRAMS

Title III of the Older Americans Act authorizes federal grants to states to cover some of the cost of congregate and home-delivered meals for the elderly. These nutrition programs are administered by the states and Area Agencies on Aging.

All persons ages 60 and over and their spouses are eligible to partake in Title III meals, with preference given to those persons with the greatest economic or social need. The language expressing Congressional intent has led to regulations that prohibit means-testing under the program. The law requires that providers give participants an opportunity to contribute toward the cost of the meal, but no older person may be denied meals for failure to contribute.

Congregate meals are served at central locations. Elderly persons who are homebound by reason of illness or disability may receive home-delivered meals. At state option, and resources permitting, meals may also be provided for handicapped or disabled persons under the age of 60 who reside in elderly housing facilities or to individuals providing volunteer services during meal hours.

In FY 1985, almost three million congregate meals and almost 700,000 home-delivered meals were served daily. Federal costs totalled about $404 million and state/local costs about $161 million. An additional $140 million was collected in contributions from elderly participants in the program. The law authorizes the use of federal funds to cover up to 85 percent of the costs of the meals and specifies that the nonfederal matching share can be met either by cash or in-kind contributions. Federal funds are capped by the amount of the annual appropriation.

The Title III programs are intended to help older persons remain independent as long as possible. The program's focus on the most vulnerable of the elderly means services are provided to persons who are frequently without family support and who, without support from the community, are in the greatest risk of institutionalization.

TITLE III SUPPORTIVE SERVICES

Title III of the Older Americans Act authorizes federal grants to states to cover some of the costs of supportive services for the elderly. The supportive services provided by states include information, referrals to public and private programs, transportation, employment services, legal aid, counseling, health education and screening, home repairs and maintenance, and in-home services such as homemaker or home health aides to avoid institutionalization. The actual mix of supportive services provided in a particular community is largely based on a local inventory of resources and a local assessment of needs.

All persons aged 60 and over are eligible, but particular attention is directed toward those persons with the greatest economic and social need. The language expressing Congressional intent has led to regulations that prohibit means-testing as a condition for receiving services.

In FY 1985, more than nine million persons received Title III supportive services. Federal funding is capped at the annual appropriation level and requires matching funds from grantees at a 25 percent rate for administration and a 15 percent rate for program activities. The grantees' contributions may be made either in cash or in-kind. In FY 1985, federal funding totalled about $261 million and grantees contributed about $131 million, substantially more than necessary to meet the matching requirement.

The federal funds are allocated to the states based on a formula stipulated in the Older Americans Act. Each state then develops a plan for developing a coordinated social service system for the elderly in the state. The state allocates almost all funds received through the Older Americans Act to Area Agencies on Aging which develop plans for coordinated systems of supportive services for the elderly. Area Agencies also support the provision of services through service provider agencies that participate in the local area plan.

MIGRANT EDUCATION PROGRAM

The Migrant Education Program (MEP) provides federal funds to State Educational Agencies to assist them in meeting the special educational needs of children in families headed by migratory agricultural workers or fishers. The program is authorized by Chapter 1 of the Education Consolidation and Improvement Act, Pub. L. 97-35, as amended. The federal Department of Education allocates funds to the states according to a statutory formula and State Educational Agencies are responsible for administering the program, subgranting the funds, and ensuring compliance with the law. Local school districts that apply for and receive MEP funds supply the basic skills instruction and supportive services needed by migratory children.

In FY 1985, about $264.5 million was appropriated for MEP. In the 1984-85 school year, about 350,000 children were served under the program. The statutory formula for allocating MEP funds is based on the number of current and former migratory children residing in the state full-time or part-time and on a share of the state's per pupil expenditures. There are no matching requirements for funds or services from non-federal sources. In FY 1985, all states except Hawaii received MEP funds.

The funds provided under MEP are commonly used by local school districts to provide a variety of services in addition to regular academic instruction. These other services feature remedial or compensatory instruction and may also include bilingual and multi-cultural instruction, vocational and career education, guidance counseling, testing services, and medical or dental screening.

Eligibility for services funded by MEP is limited to children up to age 21 of current or former migratory agricultural workers or fishers. Federal MEP regulations define such children as those who have moved within the past 5 years from one school district to another to enable a member of the immediate family to obtain temporary or seasonal employment in an agricultural or fishing activity. None of the MEP services are means-tested; migratory children are presumed to need special educational and other services.

Discretionary grants authorized under MEP are intended to improve the interstate and intrastate coordination of instructional and supportive services through the development of curriculum materials and delivery systems. The Migrant Student Record Transfer System, for example, provides a nationwide and computerized network of communications for maintaining accurate records on the educational and health status of migratory children. The system assures rapid transmittal of the data necessary to meet the special needs of these children.

PUBLIC WORKS AND ECONOMIC DEVELOPMENT GRANTS

The Department of Commerce makes federal funds available to states and others to help construct public facilities needed to initiate the creation of permanent private sector jobs in areas where economic growth is lagging behind the rest of the nation. Such public facilities include water and sewer systems, access roads and site improvements for industrial parks, port facilities, railroad sidings and spurs, and vocational schools. States, their subdivisions, Indian tribal organizations, and nonprofit organizations are eligible to apply for funds.

To qualify, a project must fulfill a pressing need of the area and must improve the opportunities for the establishment or expansion of industrial or commercial plants, assist in the creation of additional long-term employment opportunities, and benefit the long-term unemployed and members of low income families. Thus, projects are almost always located in areas where the unemployment rate is above the national average and where family incomes are below the area median.

In FY 1985, some 178 regular public works projects were funded at a total federal cost of about $130 million. Basic grants may be up to 50 percent of the project cost. Severely depressed areas may receive supplementary grants to bring the federal share up to 80 percent; designated Indian reservations are eligible for up to 100 percent federal funding. In FY 1985, the federal grants averaged about $600,000, the federal share of project costs averaged about 55 percent, and the funded projects were heavily concentrated (72 percent) in rural areas.

A key feature of the program is a planning requirement intended to encourage coordination among state and local governments, private businesses, and members of the community. The plans produced in response to this requirement must be approved by the Department of Commerce and all projects funded under this program must be consistent with the approved plan. These plans feature commitments from private businesses to invest in and operate in the area.

One recent innovative practice under the program is the development of small business incubators. In a typical case, an abandoned commercial building is renovated to house fledgling small businesses that then share support services and overhead costs. In time, the successful small firms expand, move out of the incubator, and into other facilities such as the industrial parks assisted under the program.

HIGHER EDUCATION AID FOR DEVELOPING INSTITUTIONS

The Department of Education makes federal funds available to colleges and universities which serve disadvantaged students to improve their programs and management. State and local governments play no direct role in the program; the grants are awarded through a competitive process directly to applicant schools. Prior to passage of the Higher Education Amendments of 1986, three different types of grants are awarded under the Strengthening Institutions, Special Needs, and Endowment Grants programs. Continuation grants also were awarded under the Challenge Grant program, which is being phased out.

In FY 1985, a total of 547 grants were awarded at a total federal cost of about $141 million. More specifically, the program awarded 311 Strengthening Institution grants totalling about $66 million, 163 Special Needs grants totalling about $54 million, 51 Endowment grants and 22 Challenge grants totalling about $16 million and $6 million respectively. Each type of grant has variable lengths and variable requirements for matching funds from other sources.

The 1986 reauthorization restructured the programs, combining the Strengthening Institutions and Special Needs programs into a new Strengthening Institutions program, creating a new formula grant program for Historically Black Colleges and Universities (HBCU) and continuing the Endowment Grant program.

To be eligible for grants under the new Strengthening Institutions program, institutions must be accredited or making satisfactory progress toward accreditation, be state authorized, and must have met both of these conditions for five years prior to applying for aid. In addition, eligibility is limited to institutions that have low expenditures per student and high percentages of students receiving high Pell Grants or other federal, need-based, financial aid. Institutions enrolling more than specified percentages of members of several minority groups also are eligible.

Under the Strengthening Institutions program, the funds are used to enhance the skills of faculty, the management of the institution, and the development of curriculum. The funds may also be used to acquire equipment, for example, to develop computer-assisted instruction. The federal grants may not be used for any religious or sectarian activities, general operating or maintenance expenses, construction costs, or to supplant other funds available to the institution.

Institutions which were established before 1964 primarily to serve black students, and which are accredited or making reasonable progress towards accreditation, are eligible for the HBCU formula grant program. Funds may be used for purchase of educational equipment and materials, construction of instructional facilities, faculty development, academic instruction and student services.

Institutions eligible for either of the programs described above may also apply for matching Endowment Grants.

CONSUMER AND HOMEMAKER EDUCATION

The Department of Education provides federal funds to assist states to conduct programs in consumer and homemaker education. State and local governments play important roles in the program. State Boards of Vocational Education apply for the federal funds largely on the basis of two-year plans and commitments of state funds. States administer the program and distribute funds to local educational agencies and postsecondary institutions that provide the consumer and homemaker education.

All individuals requiring education for the occupation of homemaking are eligible to participate in the program. In FY 1985, the appropriation was $32 million. Within provisions that assure sustained minimum funding, the federal funds are allocated by a formula based on states' share of persons eligible and per capita incomes. In general, states must match their federal grants dollar-for-dollar.

At least one-third of the combined funds must be expended for programs in economically depressed areas or areas with high rates of unemployment. The funds are used to provide both instruction and support services. The instruction relates to managing personal and family responsibilities, parenting and child development, responding to crises, improving nutrition, conserving resources, and applying technology. The support services may include demonstrations of innovative or exemplary programs, development of curricula materials, and outreach to underserved populations in the community.

HIGHER EDUCATION GRANTS FOR INDIANS

The Bureau of Indian Affairs (BIA) provides federal funds to support financial aid for Indian students attending institutions of higher education full-time. The grants supported by the federal funds are intended to supplement the total financial aid packages prepared by the schools the students are attending. In FY 1985, some 14,000 Indian students were assisted at a total federal cost of about $29 million.

Eligibility is limited to members of federally recognized Indian tribes who have financial need. Need is determined by the school in which the student is enrolled and is primarily based on a schedule of amounts that the student and their family might reasonably be expected to contribute toward educational costs. The schedule of expected contributions takes into account not only the student's income, but also the incomes of a spouse and the student's family.

Students are expected to take advantage of the campus-based financial aid programs offered to all students and any other scholarships that may be available to them. Thus, the typical Indian undergraduate receives assistance from several sources: in FY 1985 a representative financial aid package included $500 under College Work-Study, a $500 National Direct Student Loan, a $1,500 Pell Grant, a $300 Supplemental Educational Opportunity Grant, and $1,400 from the BIA. The BIA grant is awarded last and cannot exceed the remaining financial need of the student.

Grants may be continued through both undergraduate and graduate levels if the student maintains satisfactory progress. Renewal applications must be submitted annually with updated grades or transcripts. Successful students need not repay the grants, but the BIA has proposed regulations requiring that students who drop-out, are expelled, or fail to maintain satisfactory progress are required to pay back the grants they received. The program is fully funded by the federal government.

CUBAN AND HAITIAN RESETTLEMENT

The Department of Justice provides federal funds to support resettlement services to Cuban and Haitian entrants to the U.S. who have been paroled into the community by the Immigration and Naturalization Service (INS). The program was created in the spring of 1980 to help cope with the special problems presented by the arrival of large numbers of Cuban and Haitian boat people. These persons were not authorized to enter the U.S., were therefore detained by the INS, and in need of some assistance upon their release from INS custody. The Cuban and Haitian Entrant Resettlement (CHER) program works through agreements with individuals and public or private nonprofit organizations that provide resettlement services.

The CHER projects feature halfway houses offering training and counseling intended to promote the economic self-sufficiency of the entrants within the shortest possible time. Other projects have included child welfare services for unaccompanied minors and family reunification services. Projects for entrants with special needs include programs for persons with physical handicaps, with mental disabilities and alcohol or drug dependencies, and for Cubans imprisoned either for crimes committed in Cuba or since their arrival in this country.

The CHER program is fully funded by the federal government, and, in FY 1985, the program had a total federal cost of about $26 million. The funds supported grants that ranged from $1,200 for an individual placement of one person with one sponsor for one year to $1.6 million for a large resettlement project. The average grant was about $300,000. The grants are awarded on the basis of a competitive process that emphasizes past experience and proven success with resettlement projects.

The special CHER program is perhaps best seen in light of the general program provided by the Office of Refugee Resettlement (ORR). The CHER program is similar to, and coordinated with, but separate from the ORR program. ORR programs are limited to persons with official refugee status from the INS and persons against whom a final deportation order by the INS has not been issued; the CHER program is targeted on Cubans and Haitians apprehended and detained by the INS as illegal entrants and whose official INS status frequently remains under review. While CHER participants may eventually qualify for ORR benefits, most Cubans and Haitian entrants are initially unable to meet the ORR requirements.

HEALTH CAREERS OPPORTUNITY PROGRAM

The Public Health Service (PHS) of the Department of Health and Human Services makes federal funds available to health and educational institutions to help disadvantaged individuals pursue health profession careers. The Health Careers Opportunity Program (HCOP) is administered by PHS; state and local governments play no direct role in the program. The HCOP grants are awarded to schools and nonprofit organizations on a competitive basis that target resources on populations underrepresented in the health professions.

The HCOP funds support a variety of services to assist disadvantaged students enter into and successfully complete education or training in the health fields. The program services feature enrichment courses to enhance applicants' chances for admission to programs leading to health cost careers. After admission, HCOP features tutoring and counseling to assist students to complete their courses of study. Funds may also be used to recruit students, to facilitate their entry into school, and to publicize sources of financial aid. The HCOP funds may not be used for tuition and fees.

Eligibility is limited to either academically or economically disadvantaged individuals. Academically disadvantaged persons include all those whose background has not provided them with the knowledge, skills, and abilities required to enter and complete a health profession program. The enrichment courses funded by HCOP typically offer chemistry classes and other basic sciences that are not now available to all secondary students. Economically disadvantaged persons include all those whose family income does not exceed the federal poverty guidelines.

In FY 1985, about 158 HCOP projects were funded at a total federal cost of about $20 million. About 11,000 students participated in enrichment courses and about 13,000 more students received services after enrollment in school. The schools that provide HCOP services represent the wide range of health professions, including schools of medicine, osteopathy, public health, dentistry, veterinary medicine, optometry, pharmacy, and podiatry. The nonprofit organizations that provide HCOP services include community agencies and professional associations that promote health careers among minorities and economically disadvantaged persons of all races.

ADOLESCENT FAMILY LIFE

The Adolescent Family Life (AFL) Demonstration Grants Projects provide grants intended to find effective means of postponing premarital sexual activity, of promoting adoption as an alternative to adolescent parenting, and coordinating delivery of health care services to pregnant and parenting adolescents and their children. The grants are distributed by the Department of Health and Human Services with states having the opportunity to review applications to ensure conformance with state plans and objectives. Grantees who carry out the AFL program include state, local, and Indian tribal governments as well as school districts and private nonprofit organizations.

In FY 1985, about 103,500 adolescents were served by the AFL program with federal outlays of about $11 million and state/local outlays of about $12 million. The program operates under a fixed federal appropriation. The amount of a grant is flexible and requires a 30 percent match by the grantee in the first and second year of funding and a 40 percent, 50 percent, and 60 percent match in the third, fourth, and fifth years, respectively.

All adolescents are eligible for AFL services. Fees for services are required with appropriate discounts determined by the grantee based on the client's ability to pay.

A variety of services are authorized under AFL programs, ranging from pregnancy testing to child care. Referrals are common to promote adoption options, treatment of venereal disease, and pediatric care. Educational services play a key role in meeting the needs of recipients.

These benefits are often available elsewhere and one of the AFL objectives is to coordinate and facilitate the provision of existing services. Grantees are required to maximize use of other available resources and thus to develop linkages with other programs providing benefits for which the client may be eligible. These other programs include Medicaid, AFDC, Maternal and Child Health, Food Stamps, WIC, and state programs.

The AFL program was established in 1981 and features significant changes from its predecessor program. The predecessor program provided only care services to pregnant and parenting adolescents, did not require parental consent, and permitted referrals for abortion. The AFL program, in contrast, provides for prevention and research in addition to care services, requires parental consent, and prohibits referrals for abortions.

VOLUNTEERS IN SERVICE TO AMERICA

The Volunteers in Service to America (VISTA) program is intended to supplement ongoing efforts to eliminate poverty and poverty-related problems by enabling persons to perform service as volunteers. State and local governments have no role in administering the program, but are eligible to be VISTA sponsoring organizations. The VISTA sponsoring organizations, which also include public and private nonprofit organizations, employ the volunteers on tasks that improve a community's abilities to solve its own problems and that directly benefit low income persons.

In FY 1986, approximately 2,400 VISTA volunteers served with about 500 sponsoring organizations at a total federal cost of about $19 million. The program is fully funded by the federal government. Allocations of volunteers and support dollars are based on an area's relative degree of poverty, while maintaining a minimum number of volunteers in each state. Federal expenditures for the program were about $23 million in FY 1975 and peaked at about $30 million in FY 1981.

The local projects that utilize VISTA volunteers are developed with the active participation of members of the low income community and must be responsive to the needs the low income persons. Low income is defined as household income that does not exceed the federal poverty guidelines. Common to all projects is the VISTA philosophy that volunteers are assigned for a limited time to help get programs started; programs are then taken over and operated by local communities.

Volunteers work on a variety of projects. The current emphasis is on youth programs that combat illiteracy and drug abuse. Other community-based projects include food distribution, aiding the homeless, and addressing the special needs of elderly and handicapped persons. Volunteers may not be employed in political or religious activities and are not to displace regular employees or impair existing contracts for service.

The volunteers under VISTA work full-time for a full year and live among the people they serve. Volunteers receive stipends that provide a subsistence level of support. Virtually all volunteers are recruited and serve locally. All VISTA funds are used to provide stipends for volunteers and materials necessary for volunteers to carry out their assignments: no federal, state, or local staff are supported by VISTA funds.

INDIAN SOCIAL SERVICES

The Indian Social Services Program provides foster home care and institutional care for dependent, neglected, and handicapped Indian children. State and local governments play no direct role in the program. The program is administered by the Bureau of Indian Affairs (BIA) and the local BIA office is the point of contact for applicants in need.

In FY 1985, the program assisted an average of 3,000 children per month at a total federal cost of about $15 million. The program is fully funded by the federal government and operates only in those areas where such services are not available from other public sources.

The program serves Indian children who have been removed from their homes due to neglect or abuse and placed in foster homes or child care institutions. Applications may also be made voluntarily by a parent, guardian, or other person having custody of the child. The program is also designed to meet the special needs of handicapped children.

The benefits to the child are maintenance payments provided in the form of a monthly check to the foster parent or child care institution. The amount of assistance depends on the type of care or treatment required by the child.

EMPLOYMENT SERVICES AND JOB TRAINING

Under Title IV-D of the Job Training Partnership Act, the federal government is authorized to provide job training for persons with particular disadvantages in the labor market and promote linkages between training programs and the private sector. Toward those ends, the Department of Labor provides federal funds to support pilot programs and demonstration projects. The funds are generally awarded on a competitive basis to state and local governments, federal agencies, and nonprofit organizations that supply employment services.

The funds are primarily used to arrange job training and job opportunities for disadvantaged persons. Such persons may include displaced homemakers, handicapped individuals, single parents, persons with limited English language proficiency, older workers, women, minorities, and persons lacking educational credentials. The funds may also be used to meet industry-wide skill shortages and for other special projects.

Eligibility under a particular pilot program or demonstration project may be restricted to a special target group. In addition to a general requirement that all participants be economically disadvantaged, many efforts are focused on specific age, sex, or racial groups. Economically disadvantaged is defined as persons with incomes that do not exceed the federal poverty guidelines or, if higher, 70 percent of the Lower Living Standard Income Level (a standard issued by the Secretary of Labor that recognizes regional differences in the cost of living).

Projects are designed to promote widely applicable activities and techniques. For example, a national nonprofit organization received a $1 million grant to train and place 560 handicapped workers in all 50 states with the active cooperation of private businesses. Another $1 million grant was awarded to a national employers association to train and place 320 persons in tooling and machining occupations at locations throughout the country. Such projects are primarily intended to open doors and to provide successful examples of what can be done.

Matching funds from grantees are not required by statute, but may be imposed administratively for some of the grants. For FY 1987, $31.6 million was appropriated for the pilot and demonstration activities.

RENTAL HOUSING REHABILITATION

The Rental Housing Rehabilitation (RHR) Program, under the Department of Housing and Urban Development, provides federal funds to help increase the supply of rental housing that is affordable to low income families. Operating within broad federal guidelines, the state and local governments that apply for and receive RHR funds have considerable flexibility to design and implement programs.

The RHR funds are used in two ways. First, state and local governments subsidize, up to a maximum of $5,000 per unit, the rehabilitation of existing, privately-owned residential rental units. Second, state and local governments provide rental housing assistance to very low income families, usually in the form of vouchers, to enable them to afford the rents in units rehabilitated under the program or to find alternative housing. No funds may be used for administrative purposes.

To qualify for RHR funds, all projects must benefit low income tenants and neighborhoods. This target group is defined as households with median incomes less than 80 percent of the area median income. To date, 75 percent of the tenants in completed projects are in households with less than 50 percent of the area's median income and 92 percent of the tenants assisted have incomes below 80 percent of the median.

The RHR program is new. Authorized in 1983 and first funded in FY 1984, the early data on the program reflects the usual time lags required for construction and rehabilitation work. Thus, in FY 1985 actual outlays of federal dollars under RHR were only about $14.4 million and about 12,400 households were assisted. The contracts signed by the RHR program in FY 1985, however, totaled $154.32 million.

RURAL SELF-HELP TECHNICAL ASSISTANCE

The Department of Agriculture funds technical assistance programs to help low income, rural families build homes by the mutual self-help method. These Technical Assistance (TA) grants are administered by the Farmers Home Administration (FmHA). The grantees who provide TA programs include states and their political subdivisions, as well as public and private nonprofit organizations.

The TA grants may be used for hiring construction supervisors and technical trainers, paying office and administrative expenses, obtaining power and specialty tools, and paying fees for training self-help group members in construction techniques. The TA funds may not be used to hire construction workers, to buy real estate, or to pay for construction materials.

To qualify for TA funds, applicants must serve small communities in open country that are rural in character. Small communities generally have populations under 10,000 persons, but under certain circumstances may be as high as 20,000 persons. Applicants must recruit groups of low income families who agree to build their homes by the mutual self-help method; low income is defined as income that does not exceed 80 percent of the median income in the area. Applicants must also furnish evidence that the benefiting families are unable to obtain funds from other sources and will realize net savings by building their homes in this way.

In FY 1985, TA grants totalling about $14 million were awarded. The program is fully funded by the federal government.

RURAL HOUSING GRANTS

Rural Housing Grants assist low income, elderly homeowners to make house repairs that remove health and safety hazards. Although authorized under section 504 of the Housing Act of 1949 as amended, the program operates under the U.S. Department of Agriculture. State and local governments play no direct role in the program. The grants are administered by the Farmer's Home Administration (FmHA) through their state offices. District or county FmHA offices serve as the contact point for applicants in need.

In FY 1985, about $12 million in grants were awarded to about 3,500 persons. The program is fully funded by the federal government.

Eligibility is limited to individuals age 62 or older or families with such individuals. The grantee's income must be below 50 percent of the median income for the area, after certain deductions and adjustments for household size. The grantees must own and occupy a dwelling in a rural area that has been identified by the local FmHA supervisor as a home in need of repairs to remove health and safety hazards. The grantees must be unable to obtain credit elsewhere and must lack the resources to make the needed repairs themselves.

The repairs typically provided include installing or repairing water and waste disposal systems and taking various energy conservation measures. Repairing or replacing heating systems, roofs, sidings, and electrical wiring are also permitted. The maximum lifetime amount of assistance is $5,000, which is disbursed through a supervised bank account, only after such repairs have been made and inspected.

If assistance is available from other sources, the applicant is required to use that assistance to the fullest extent possible. The Department of Housing and Urban Development, under the Community Development Block Grant, sometimes provides such assistance and the FmHA funding is reduced to a supplementary role. Thus, Rural Housing Grants function as a program of last resort to upgrade substandard dwellings owned and occupied by elderly poor persons.

ADULT PROGRAMS

The Adult Programs are a combination of older welfare programs that were replaced for states by Supplemental Security Income in 1974. These older programs are Grants to the States for Old-Age Assistance (OAA), for Aid to the Blind (AB), for Aid to the Permanently and Totally Disabled (APTD), and for Aid to the Aged, Blind, or Disabled (AABD). Recipients are also eligible for Medicaid.

The Adult Programs operate only in the territories of Guam, Puerto Rico, and the Virgin Islands and enable these jurisdictions to provide cash assistance to needy individuals who are aged, blind, or disabled. Each territory may choose to provide benefits under any combination of OAA, AB, and APTD or may choose to provide all three under AABD.

The territories help fund the programs, determine the types of needs addressed, and the extent to which such needs will be met. Local offices serve as the contact point for applicants in need and make eligibility determinations according to the standards of the territory.

In FY 1986, about 42,000 persons in the three territories received a total of about $18 million in cash assistance under the Adult Programs. Since FY 1979, the total amount which the federal government provides to the territories to help fund all of the Adult Programs, plus AFDC and Foster Care and Adoption Assistance has been capped: $3.3 million for Guam, $72 million for Puerto Rico, and $2.4 million for the Virgin Islands. Each of the territories currently spends more of its own money than necessary to meet the federal matching requirements (which require states to pay for 25 percent of total expenditures).

Under all of the Adult Programs, the territories set their own income and asset limits for determining eligibility and set their own cash benefit levels.

GRADUATE AND PROFESSIONAL FELLOWSHIPS
(PATRICIA ROBERTS HARRIS FELLOWSHIPS)

The Department of Education provides grants to institutions of higher education to support fellowships for graduate and professional students with financial need. State and local governments play no direct role in the program. All accredited institutions with programs leading to advanced degrees are eligible to participate. Institutions receiving grants determine the financial needs of students and award the fellowships.

The program supports two kinds of fellowships. Graduate and Professional Opportunity Fellowships are restricted to individuals from groups that are underrepresented in graduate or professional study, such as minorities and women. Public Service Education Fellowships are restricted to persons who plan to begin or continue a career in public service. Applicants must also be full-time enrolled candidates for advanced degrees and must have demonstrated financial need.

Financial need is determined by the schools receiving the grants using the method required by statute for the federal Title IV student financial assistance programs. This need analysis takes into consideration the amounts that the students and their families might reasonably be expected to contribute toward total educational costs, as well as aid received from other sources. Financial need is the difference between these expected contributions and the cost of attendance.

Fellowships are awarded for one year with renewals for students making satisfactory progress for up to three years. The actual amounts of the fellowships are based on financial need and may range as high as $10,000 per year. The program also provides an additional allowance of $6,000 per year to the institution for each fellow to cover tuition, books, fees, and other reasonable educational costs.

The program is fully funded by the federal government and in FY 1985 had a total cost of about $12 million. These funds provided 1,737 fellowships through 204 grants. In addition to encouraging graduate and professional schools to recruit students from a underrepresented groups, these fellowships are also intended to address national employment needs for workers with advanced degrees.

TITLE VI GRANTS TO INDIAN TRIBES

Title VI of the Older Americans Act authorizes grants to Indian tribal organizations to promote delivery of supportive and nutritional services to older members of federally recognized tribes. State and local governments are not involved in administering the program, although some states independently contribute funds, in-kind materials, or such services as nutritional inspections and training.

Title VI grants support a variety of services. The nutritional services consist of congregate meals and home-delivered meals. The only federally required supportive services are information and referral; other typical supportive services include transportation, homemaker and chore services, legal and ombudsman assistance, and cultural and recreational activities. The tribes have discretion allocating resources among such services and for distributing services among the eligible elderly Indians.

Older members of the federally recognized tribes receiving grants under the program are eligible for services. Each tribe may designate its age for "older Indian." Spouses of older Indians, nonelderly handicapped or disabled Indians residing in facilities occupied primarily for the elderly, and volunteers providing services during meal hours are eligible for meals, but not for supportive services. There are no means-tests for services.

In FY 1985, about 34,000 persons were eligible for services, which were provided at a total federal cost of about $7.5 million. In addition, the meal reimbursement program of the Department of Agriculture (authorized by the Older Americans Act) provides benefits to the same Indian tribal organizations to meet some of the costs of the congregate and home-delivered meals.

FOLLOW THROUGH

The Follow Through program, administered by the Department of Education, provides grants to assist children from low income families enrolled in kindergarten through third grade and to amplify the gains made by such children in Head Start and similar preschool programs. State governments play no direct role in the program. Follow Through grantees are primarily Local Educational Agencies, but also include institutions of higher education and regional educational laboratories.

Follow Through is an experimental program designed to develop, implement, validate, and disseminate innovative instructional approaches for primary education. Discretionary grants are awarded to institutions of higher learning and regional educational laboratories to develop new methods of instruction. Local Education Agencies are awarded grants to implement innovations that stress active participation of parents and provision of supportive services related to nutrition and health. Successful local programs validated by the Department of Education may be awarded additional grants to serve as Resource Centers or demonstration projects so the other local school districts may adopt their innovative practices.

In the areas selected for participation, public and private school children from low income families enrolled in kindergarten through third grade are eligible. Low income is defined as family income that does not exceed the federal poverty guidelines. Within certain limits, non-low income children also may participate. The limits are that at least 50 percent of the children must be from low-income families and at least 50 percent of the children must have participated for a full year in Head Start or similar preschool programs.

In FY 1986, about 18,000 children, 80 percent of whom were from low income families, participated in Follow Through programs. The federal cost was about $7 million, which covered about 80 percent of program expenses; Local Educational Agency grantees must contribute at least 20 percent of the total program costs.

EXCEPTIONAL FINANCIAL NEED SCHOLARSHIPS

The Public Health Service (PHS) of the Department of Health and Human Services, makes federal funds available to health profession schools to award scholarships to full-time, first-year students with exceptional financial need (EFN). The program is administered by PHS; state and local governments play no direct role in the program. Based on the availability of funds and a competitive process, EFN awards are issued to schools which in turn give the scholarships to students they select.

The EFN Scholarships are awarded without a reciprocal service or financial obligation to encourage needy students who might otherwise be reluctant to pursue a health profession career. The awards are limited to first-year, full-time students who have exceptional financial need. The candidate's resources are determined on the basis of the student's income as well as the income of the student's parents or spouse, regardless of the student's tax status. The combined incomes and other factors provide a basis for a schedule of amounts (or resources) that the students and their families might reasonably be expected to contribute toward total educational costs. In recent years, scholarships have been limited to these with no other resources.

In FY 1985, about 300 schools received EFN grants at a total federal cost of about $7 million. The grants provided full scholarships for about 421 students selected from among 1,300 eligible applicants. In addition to payment of tuition, fees, and other reasonable educational costs, the EFN Scholarships provide stipends of $632 a month for 12 months.

The schools receiving EFN grants represent the wide range of health professions, including schools of medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, and veterinary medicine. The program has been in operation with about the same funding since 1978.

MIGRANT HIGH SCHOOL EQUIVALENCY PROGRAM

The Migrant High School Equivalency Program (HEP) provides federal grants to institutions of higher education and private nonprofit organizations to assist students from migrant farmworker backgrounds obtain the equivalent of a secondary school diploma. State and local governments play no direct role in the program. The grantees are responsible for determining the needs of students, for providing the financial assistance, academic help, and supportive services they need, and for assisting successful students either gain employment or continue on with their education.

Eligibility is limited to students who are themselves or whose families are engaged in migrant or seasonal farmwork. Eligibility is further limited to those who have not earned a secondary school diploma, who are not currently enrolled in school, and who are above the age of compulsory school attendance. While there is no specific income test, the students must be judged by the grantees to need financial assistance, academic help, and supportive services. The generally very low incomes of migrant and seasonal farmworkers provide a basis for estimating that virtually all HEP participants are from families with incomes below the federal poverty guidelines.

The HEP programs typically provide basic instruction in reading, writing, mathematics, and other subjects tested by high school equivalency examinations. In addition to personal and academic counseling, HEP programs often provide career-oriented, work-study courses, some forms of financial assistance such as housing, and placements in postsecondary schools or training programs.

In FY 1985, the HEP program served about 2,900 students through grants to 15 institutions of higher education and seven nonprofit organizations at a total federal cost of about $6 million. The program is fully funded by the federal government. Grants are awarded through a competitive process conducted by the U.S. Department of Education.

The HEP program was established in 1965 and is perhaps best seen in the context of other educational programs targeted on the children of migrant and seasonal farmworkers. There are other federally funded programs to meet the special educational needs of migratory school children and to aid first-year college students from such backgrounds. The HEP program is for the drop-outs and attempts to reopen alternatives for young persons.

BLACK LUNG CLINICS

Black Lung Clinics (BLCs) provide health care services to coal miners who have Black Lung disease or related respiratory and pulmonary impairments. The program is administered by the federal Department of Health and Human Services and BLC funds are targeted on areas with significant numbers of active and inactive coal miners. Any public or private entity may apply for a grant, but a state that meets the minimum requirements will be given preference over all other applicants from that state. About one-third of the current grantees are state or local governments and the remainder are private, nonprofit organizations.

In FY 1985, about 48,000 persons received BLC services and federal outlays for the program totalled about $3 million. Grantees are required to maximize other sources of revenues, particularly third-party reimbursements, and to ensure that all persons who can afford to pay for all or part of the cost of their care do so. Thus, while services similar to those provided by BLCs may be provided by other programs, little or no duplication occurs because BLC dollars are used to pay for services only if no other sources of funds are applicable.

Active, unemployed, and retired coal miners with Black Lung disease or related chronic and obstructive pulmonary diseases are eligible for all BLC services, regardless of ability to pay. While states have more latitude to set their own standards, all other grantees must provide service to miners whose incomes are less than twice the federal poverty guidelines with services at a discount according to a sliding fee scale. The coal miner population includes any individual who works or has worked in or around a coal mine or coal preparation facility and who was exposed to coal dust as a result of such employment.

BLCs provide a range of health care services. Primary care, such as physician services for respiratory and pulmonary impairments, is supplemented by patient care coordination, including individual care plans for all patients. Other services include patient and family education and counseling, antismoking advice, and other symptomatic treatments. The BLCs generally emphasize achieving and maintaining a level of health that decreases use of relatively high-cost emergency room and inpatient services.

COLLEGE ASSISTANCE MIGRANT PROGRAM

The College Assistance Migrant Program (CAMP) provides federal grants to institutions of higher education to assist first-year college students from migrant farmworker backgrounds. State and local governments play no direct role in the program. The institutions of higher education that receive the federal grants are responsible for determining the needs of students and providing the financial assistance, academic help, and supportive services needed by the students to successfully complete a postsecondary program of study.

Eligibility is limited to first-year students who are themselves, or whose families are, engaged in migrant or other seasonal farmwork. While there is no specific income test, the students must be judged by the grantees to need financial assistance for college expenses. The very low incomes of migrant and seasonal farmworkers provide a basis for estimating that virtually all CAMP participants are from families with incomes below the federal poverty guidelines.

In addition to financial aid, the CAMP program may provide academic and supportive services. Academic services feature tutoring and instruction in basic skills as well as in the subjects in which the students are enrolled. The supportive services may include counseling, housing support, allowances for meals and personal expenses, and exposure to cultural events and other activities not ordinarily available to students from these backgrounds.

In FY 1985, the CAMP program served about 400 students through grants to five institutions of higher learning at a total federal cost of about $1 million. The program is fully funded by the federal government. Grants are awarded through a competitive process conducted by the Department of Education.

FEDERAL EMPLOYMENT FOR DISADVANTAGED YOUTH - PART TIME (STAY-IN-SCHOOL PROGRAM)

The Stay-In-School Program operated by the federal Office of Personnel Management (OPM) provides disadvantaged young persons with opportunities for part-time employment with the federal government. Under the program, OPM allocates authority to fill part-time jobs to federal agencies; local offices of the state employment service screen young persons for income eligibility and refer eligible applicants to federal agencies with slots available. The employment is intended to allow the participants to continue their educations without interruptions caused by financial pressures.

Participation is limited to disadvantaged young persons who are at least age 16 and who are actively pursuing education up to the baccalaureate level. Disadvantaged status is determined by a financial needs test and referrals for jobs are made in order of financial need: eligible applicants are assigned to one of four categories depending on household income. All applicants in the poorest category must be referred for jobs before other applicants are considered. The annual income ceilings range, for a family of four, from $11,000 in category one to a high of $18,500 in category four.

Participants are permitted to work up to 20 hours per week during the school year and a regular 40 hour week during vacation periods. No special skills or experience are required to participate and federal agency heads fix rates of pay in accordance with the duties assigned. The rates of pay range from a minimum of the federal minimum wage ($3.35 an hour) up to a maximum of the GS-4 rate ($6.08 an hour).

While the Stay-In-School Program is administered by OPM, it is both funded and carried out by the numerous federal agencies participating in the program. In FY 1985, an estimated 21,000 youths per month were employed under the Stay-In-School Program.

FEDERAL EMPLOYMENT FOR DISADVANTAGED YOUTH
SUMMER PROGRAM

The Office of Personnel Management (OPM) provides disadvantaged young persons with opportunities for summer employment with the federal government. Under the program, OPM allocates authority to fill summer jobs to federal agencies; local offices of the state employment service screen young persons for income eligibility and refer eligible applicants to federal agencies with available slots. The program is intended to assist needy young persons gain work experience and to earn the money they need to return to school.

Participation is limited to disadvantaged young persons who are at least age 16 and who are enrolled in school pursuing education up to the baccalaureate level. Disadvantaged status is determined by a financial needs test and referrals for jobs are made in order of financial need: eligible applicants are assigned to one of four categories depending on household income. All applicants in the poorest category must be referred for jobs before other applicants are considered. The annual income ceilings range, for a family of four, from $11,000 in category one to a high of $18,500 in category four.

Youths hired as Summer Aids work a regular 40 hour week and are paid at the federal minimum wage rate. No special skills or experience are required and federal agency heads assign duties as appropriate. In FY 1985, about 14,000 youths participated in the program.

The program is administered by OPM, but is both funded and carried out by the numerous federal agencies participating in the program.

Introduction to Part Three

Part Three includes brief descriptions of federal programs which target loans to persons with incomes under some maximum. Eleven such programs were identified and included in Table 1 of Up From Dependency. They are listed here, as in that table, in order based upon total loans made in FY 1985.

GUARANTEED STUDENT LOAN PROGRAM

The Guaranteed Student Loan Program (GSL) makes loans available to eligible students attending participating postsecondary schools, including colleges and universities, vocational, technical, business and trade schools, and certain foreign institutions. There are three principal programs: (1) a highly subsidized regular GSL program; (2) a less subsidized program of supplemental loans for students (SLS); (3) a less subsidized program for parents of dependent students (PLUS). Students must meet a "need test" to determine eligibility for the regular GSL program.

GSL uses private loan capital supplied primarily by commercial lenders, but also by other lenders including state agencies and schools. Lender participation is secured by guaranteeing lenders a yield equal at least the 91-day Treasury bill rate plus 3.25 percent. The loans are fully guaranteed by individual state or private nonprofit guarantee agencies and reinsured by the federal government. GSL defaults will cost the federal government over $1.5 billion in FY 1988.

Applications for loans are obtained from lenders or schools. The school must certify that the student is enrolled and maintaining satisfactory progress, or accepted for enrollment, and provide information on the student's cost of education, other financial aid, and the expected family contribution.

Repayment begins immediately for less subsidized loans and six months after the student ceases to carry at least one-half the normal full-time academic workload for regular loans. For regular loans, the federal government pays all interest costs before the student enters repayment. Deferment of payment may be granted during certain authorized periods.

In FY 1986, about $9.3 billion in loans were made to about four million students. About four in ten of these students had incomes below poverty.

VERY LOW AND LOW INCOME HOUSING LOANS

Title V of the Housing Act of 1949, as amended, authorizes the Secretary of Agriculture to extend assistance, through the Farmer's Home Administration (FmHA), to persons in rural areas for the construction, improvement, alterations or repair of dwellings. Funds may be used to build, rehabilitate, improve, or relocate the applicant's permanent residence, for housing for farm managers, tenants, share croppers or farm laborers, and to refinance certain secured and unsecured debts.

At least 40 percent of funds are allocated for use by very low income families. Low income and very low income are the levels so established for the programs of the federal Department of Housing and Urban Development. Interest credit assistance is based upon the borrower's income and loan size.

In most cases, applications are made directly by the family seeking the loan. In some states, applications are submitted to FmHA by "packagers" who screen applicants and aid with completion of required documentation. Loan funds are received by the borrower at the time of loan closing. A borrower may not have Section 502 housing loans on more than one property at one time, but may have more than one loan per property. The maximum size of the loan is determined by the cost of modest housing in the borrower's locality.

In FY 1985, loans totaling about $2.3 billion were made to about 52,000 families. A national mean loan was about $34,000.

RURAL RENTAL HOUSING LOANS

Sections 515 and 521 of the Housing Act of 1949, as amended, provide for loans for economically designed and constructed rental and cooperative housing and related facilities suited for independent living for rural residents. Occupants must be low or moderate income families, as defined for programs administered by the federal Department of Housing and Urban Development, or aged 62 or older, or handicapped.

Public or private nonprofit, or private for-profit organizations, and individuals apply to the FmHA for sites in open country or communities of less than 10,000 (20,000 under certain circumstances). Applicants must provide a market analysis showing need for such services, a legal capacity to incur the obligation and operate the housing, a sound budget, and inability to obtain the funds from other sources at terms which would enable the application to rent the units for amounts that are within payment ability of eligible low and moderate income families, senior citizens, and the handicapped.

Occupants receive the benefit through reduced rental payments. In FY 1985, loans totaling about $900 million were made to provide housing for about 25,500 families.

RURAL HOUSING SITE LOANS

Under Sections 523 and 524 of the Housing Act of 1949, as amended, loans are made to assist public or private nonprofit organizations interested in providing sites for housing, to acquire and develop land in rural areas to be subdivided as adequate building sites and sold on a nonprofit basis to families eligible for low and very low income loans. Sites developed with Section 524 loans must be for housing low and very low income families. Section 523 sites must be for housing built by the self-help method.

Sites must be in open country or towns with populations under 10,000 (20,000 under some circumstances). Applicants must furnish market analysis showing the need for such services, a legal capacity to borrow funds and develop land for sale, a sound budget, and a general project description.

In FY 1985, loans totaling about $218 million were made.

MORTGAGE INSURANCE - HOMES FOR LOW AND MODERATE INCOME FAMILIES

Section 221 of the National Housing Act, as amended in 1954, authorizes insurance of mortgages to make homeownership more readily available to families displaced by a natural disaster, urban renewal, or other government action, and to increase homeownership opportunities for low and moderate income families.

The Department of Housing and Urban Development insures lenders against loss of mortgages used to finance the purchase of proposed or existing low-cost dwellings for one to four families, or the rehabilitation of such housing. The mortgage may extend for 30 years (or longer if the mortgagor is unacceptable under a 30-year term).

For most families purchasing single family units, the amount of the loan is 97 percent of the appraised value plus closing costs, up to a maximum of $31,000. Higher maximums are permitted for high-cost areas and large families. The down payment is equal to the difference between the maximum loan amount and the purchase price plus prepaid expenses. For displaced families, the down payment is somewhat smaller, but no less than $200. Mortgage insurance premiums, loan origination fees and appraisal and inspection fees may also be required.

In FY 1985, about $213 million in mortgages were insured. At the beginning of FY 1985, a cumulative total of 936,000 homes were insured with mortgages totaling $13.5 billion.

PERKINS LOAN PROGRAM
(FORMERLY NATIONAL DIRECT STUDENT LOAN PROGRAM)

The Perkins Loan Program provides federal capital to participating postsecondary schools to provide low-interest, long-term loans to help financially needy students pay their educational costs. Schools with high default rates may not be eligible for new federal capital. Undergraduate, graduate or professional students enrolled or accepted for enrollment as regular students who are maintaining satisfactory progress and have demonstrated financial need are eligible.

Perkins funds are 90 percent federal and 10 percent institutional capital. Institutions may use funds to make loans to needy students for educational expenses and may use between three and five percent of funds for administrative expenses. Loan repayments are made to school revolving funds, where they are available to be lent again. Currently about $5 billion is in revolving status.

For FY 1986, about $779 million in loans were made to benefit about 885,000 students. About 18 percent of the students were from families with incomes below poverty.

LOANS FOR SMALL BUSINESSES

Section 7(a) of the Small Business Act of 1953, as amended, authorizes direct and guaranteed loans for small businesses owned by low income persons or located in areas of high unemployment. Loans may not be made to publishing media, nonprofit enterprises, speculators in property, lending or investment enterprises, or financing real property held for investment.

Generally, eligible businesses must be independently owned and operated, not dominant in the field, and meet Small Business Administration size criteria. Criteria are set separately for manufacturers, wholesalers, retailers, service providers, and agricultural enterprises.

Applications are filed directly in SBA field offices. In FY 1985, direct loans totaling $15 million were made, and in FY 1986, $14 million in direct loans and $32 million in guaranteed loans were made.

COMMUNITY FACILITIES LOANS

Section 306 of the Consolidated Farm and Rural Development Act authorizes loans to construct, enlarge, extend or otherwise improve community facilities providing essential services to rural residents. Community facilities include, but are not limited to, those providing or supporting overall community development, such as fire and rescue services, transportation, community, social, cultural and health benefits, industrial park sites, access ways, and utility extensions.

Applicants may be public or private nonprofit organizations who have the legal authority necessary for constructing, operating and maintaining the proposed facility or service and for obtaining, giving security for and repaying the loan, who are unable to finance the project from their own resources or at commercial rates and terms. All facilities financed in whole or in part with FmHA funds must be for public use.

Projects are selected for funding giving due consideration to state development strategies, serving the largest number of low income rural residents, and priority recommendations. Priority for funding is given first to projects which enhance public safety, secondly to health care facilities needed to conform to life and safety codes, third to public service buildings, and fourth to new hospitals or major expansions of existing hospitals.

For FY 1985, 185 loans totaling $115 million were made.

SECTION 312 REHABILITATION LOAN PROGRAM

Section 312 of the Housing Act of 1964, as amended, authorizes the Secretary of Housing and Urban Development to make loans for the rehabilitation of single-family and multifamily residential, mixed-use, and nonresidential properties. To be eligible, properties must be located in designated areas (i.e., principally urban homesteading areas at this time) or the rehabilitation must be necessary or appropriate to the execution of an approved Community Development Program under Title I of the Housing and Community Development Act of 1974.

There is no individual means test, but communities are required to give priority to loans to low and moderate income owner-occupants. Moderate income means no higher than 95 percent of the area median. Loans are made at three percent to persons with incomes no higher than 80 percent of the area median who live in the single family (1-4 units) property to be rehabilitated. For others, the interest rate will be equal to the market yield on outstanding marketable securities of the United States with comparable terms. The term of a loan may not exceed 20 years or three-fourths of the remaining economic life of the property, whichever is shorter.

In FY 1985, about $75 million in loans were made. A total of 2,707 single-family loans assisted in the rehabilitation of 3,132 units. Another 77 loans were made for multifamily properties, directly assisting 1,195 units. About three-fourths of the single-family loans were to families with incomes below 80 percent of the area median.

FARM LABOR HOUSING LOANS AND GRANTS

Sections 514 and 516 of the Housing Act of 1949, as amended, authorizes loans to provide decent, safe, and sanitary low-rent housing and related facilities for domestic farm laborers. Loans and grants may be used for construction, repair or purchase of year-round or seasonal housing, acquiring and improving land for such housing, and developing related support facilities, such as recreation areas, central cooking and dining facilities, small infirmaries, laundry facilities, day care centers, and other essential equipment and facilities.

Loans are available to public and private nonprofit, private for-profit organizations and individuals who document the need for such facilities and inability to provide them from other resources.

In FY 1985, loans totaling about $20 million were made. Grants totaled an additional $12 million.

RURAL DEVELOPMENT LOAN FUND

Authorized through the Omnibus Budget Reconciliation Act of 1981, the Rural Development Loan Fund is intended to help alleviate rural poverty by promoting economic and community development activities. Loans may be used only to finance establishment, expansion, or preservation of business facilities or the undertaking of community development projects in rural areas.

Priorities are given to projects which provide the greatest number of jobs, increase ownership opportunities for rural low income residents, are part of a coordinated community, regional or statewide effort, employ a strategy of leveraging other resources, demonstrate a positive cost-benefit ratio, and are managed by persons with experience in successful operation of profit or nonprofit enterprises.

Loans are made at interest rates established by the Secretary of the Treasury based upon average market yields on outstanding Treasury obligations of comparable maturity, except that, for the first five years, the interest rate may be four percentage points below that level, but not less than five percent.

In FY 1984, 12 loans, totaling about $10 million were made.

Introduction to Part Four

Part Four includes data related to state and local spending on programs for low income people. Some state and local spending receives matching funding under federal law. Spending of that kind is described in Parts One and Two. This Part contains information about spending not associated with federal matching funds, though, in the case of SSI supplements, the spending may be required by federal law.

In July 1986, the Low Income Opportunity Working Group invited the Governors of the states and territories to provide information about state and local spending for low income programs. Such information helps complete the picture of low income aid developed for Up From Dependency. The Working Group was aware that decentralization of relevant records among local agencies, and especially variation in key definitions used from state to state and locality to locality, would make it impossible to develop data of precision and completeness comparable to that available at the federal level. A special survey was conducted because available published sources of state and local spending did not focus upon: a) low income programs; b) spending not associated with federal matching funds.

Information was requested on spending amounts for a recent fiscal year in several areas, including assistance in cash, and non-cash assistance for food, housing, health, employment, and training. In order not to limit responses by imposing impractical reporting standards, states were instructed to use their own classifications, definitions, and reporting periods.

In the relatively short period requested, 33 states, the District of Columbia and the Commonwealth of Puerto Rico responded. Approximately $9.2 billion was identified in low income programs. About one-third was classified as cash aid, through General Assistance programs and state SSI supplements. Another third was described as health-related spending, and the final third was identified as social services, housing, and other programs. About two-thirds of all the spending reported was in California ($3.1 billion) and Pennsylvania ($2.9 billion). It must be remembered that some states with the largest low income populations and significant state spending for low income programs, such as Massachusetts, Michigan, New Jersey, and New York, were among the 17 states not reporting. Based upon other sources, it appears that inclusion of these 17 states would have more than doubled the total of low income spending by states not required to receive matching federal funds.

The following table displays the data reported by 35 jurisdictions. The absence of a state from the table does not mean that the state makes no expenditures on low income programs, and a blank for a reported state should not be taken as proof that the particular state has no expenditures in that area.

STATE AND LOCAL EXPENDITURES FOR LOW INCOME PERSONS
(Thousands of Dollars)

States	Cash Assistance General Assistance	Cash Assistance SSI Supplement	Human & Social Services	Health & Medical Services	Employment & Training Services	Housing Assistance	Other	Total
Alabama	$522	$15,869	$18,413					$34,804
Alaska	$883	$13,698						$14,581
California	$208,278	$1,417,093	$291,755	$1,220,179				$3,137,305
Colorado	$17,561		$52,623	$8,500				$78,684
Delaware	$2,393		$1,796	$31,619	$1,908	$5,000	$7,263	$49,979
Dist. of Col.	$19,403		$29,520	$17,068	$107	$4,689	$417	$71,204
Florida	$7,620	$9,641	$63,900	$413,896				$495,057
Georgia	$2,620		$863	$37,805	$567	$2,047	$2,153	$46,055
Hawaii	$17,497	$5,672				$5,201		$28,369
Idaho	$151			$3,420				$3,572
Illinois	$258,881	$45,118	$144,900	$59,681				$508,580
Indiana			$36,806	$106,176			$8,150	$151,132
Iowa	$35	$10,387	$120,094	$24,514				$155,030
Kansas	$13,446		$3,600	$49,787			$80	$66,913
Maine	$7,500		$6,930		$671			$15,101
Maryland	$59,409		$33,422	$2,900		$10,600		$106,331
Minnesota	$57,906	$16,564	$56,684	$69,278			$7,499	$207,931
Missouri	$36,962	$4,436	$1,456	$33,427			$7,718	$83,999
Montana	$4,843		$217	$3,380				$8,440
Nebraska	$1,748			$1,900				$3,648
Nevada	$966		$725	$13,329				$15,021
New Hampshire	$1,300	$7,352	$4,694	$1,654		$9,372	$9,638	$34,010
North Carolina	$41,910		$22,827	$34,527	$398	$4,511	$421	$104,593
Oklahoma	$1,119	$31,512	$70,472	$137,865	$296	$2,223	$42,814	$286,301
Pennsylvania	$406,147	$67,300	$409,388	$875,591	$48,346	$158,900	$908,679	$2,874,351
Puerto Rico	$4,796		$12,108				$926	$17,829
Rhode Island	$19,922	$9,152	$2,276	$2,682	$247	$228	$13,298	$47,804
Tennessee			$15,792					$15,792
Texas			$16,196	$5,845	$16		$1,217	$23,274
Utah	$5,061	$853	$71,410					$77,324
Vermont	$3,121	$7,053					$6,746	$16,920
Washington	$47,657	$18,018	$64,785	$86,624	$2,752			$219,836
West Virginia			$26,099	$6,700			$2,398	$35,197
Wisconsin	$61,758	$78,215					$100	$140,073
Wyoming	$1,292	$225	$2,768	$5,232				$9,517
TOTALS	$1,312,707	$1,758,158	$1,584,518	$3,253,580	$55,308	$202,770	$1,017,516	$9,184,557

Data were provided in response to a request for totals of state and local spending not required to obtain federal matching funds. States reported according to their own definitions and classifications. Absence of a state or blanks under a category of spending do not necessarily mean there was no spending by the state for that purpose. States provided spending data according to their own fiscal accounting periods, generally overlapping, but not identical to, federal FY 1985.

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